

A continuous blue line-art illustration that forms a large, irregular shape around the central text. It includes a city skyline, a forest, an airplane, a globe, a gas station with a car, a factory, wind turbines, and a person with binoculars.

COSMO REPORT 2025

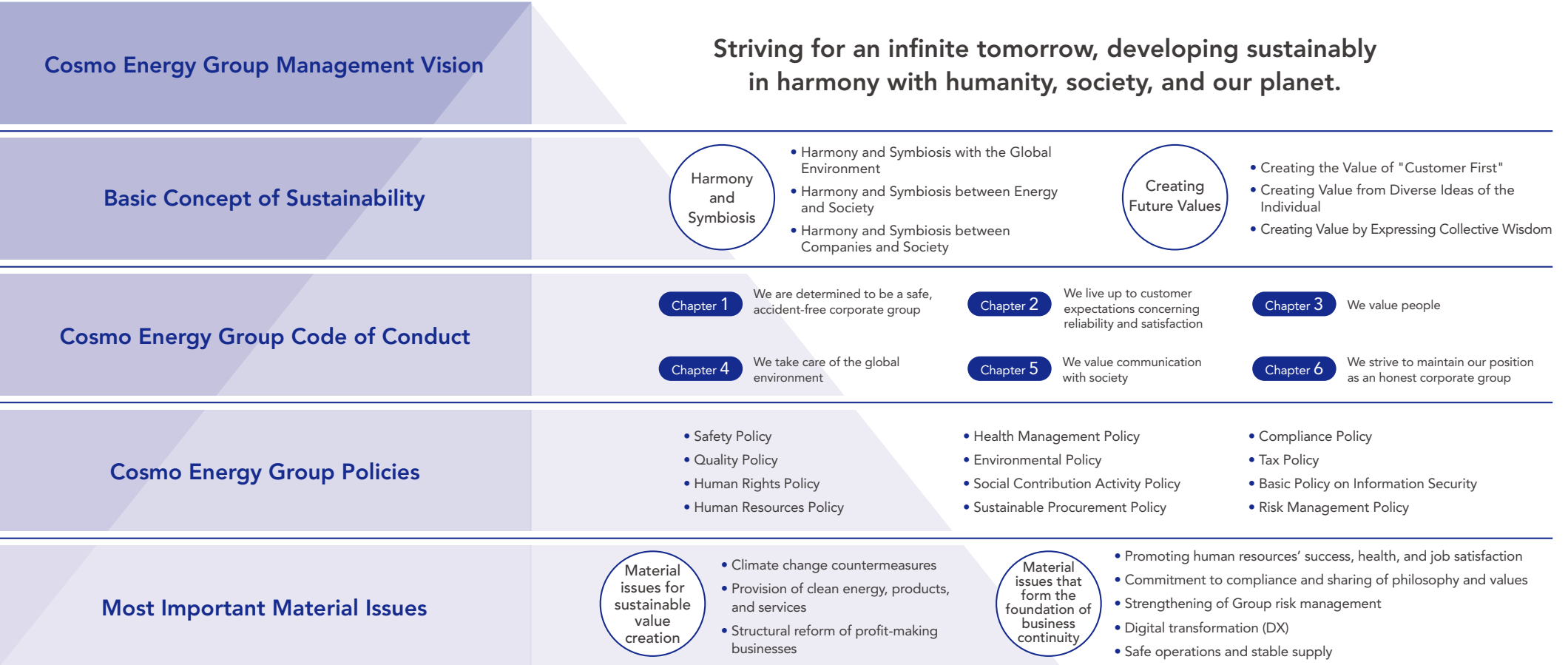
COSMO ENERGY HOLDINGS
COSMO REPORT 2025

Sustainable Management at the Cosmo Energy Group

The Cosmo Energy Group Management Vision incorporates our desire for the sustainable growth of our Group and society. The "Harmony and Symbiosis" and "Creating Future Values" included in our Group Management Vision constitute our Basic Concept of Sustainability and show our determination to promote sustainability in our management.

We have strived to realize our Group Management Vision by aiming to achieve sustainable growth within the Group and helping realize a sustainable society through our businesses.

To realize our Group Management Vision, it is important that the Group as a whole shares the same values and acts accordingly. The Cosmo Energy Group Code of Conduct supports this by translating our Group Management Vision into concrete action and serving as the cornerstone of our sustainability and the foundation for the actions and values of all employees.





Cosmo Energy Group's
Vision for the Future

Vision 2030

To create energy that shapes the future, energy that sustains society, and new forms of value

The Cosmo Energy Group seeks to realize its vision for the future by focusing on the following three pillars under Vision 2030.

Bolster the green electricity supply chain

Build a high value-added supply chain that encompasses power generation, supply-demand adjustment, and sales

Expand next-generation energy

Supply SAF and develop hydrogen and other energy businesses

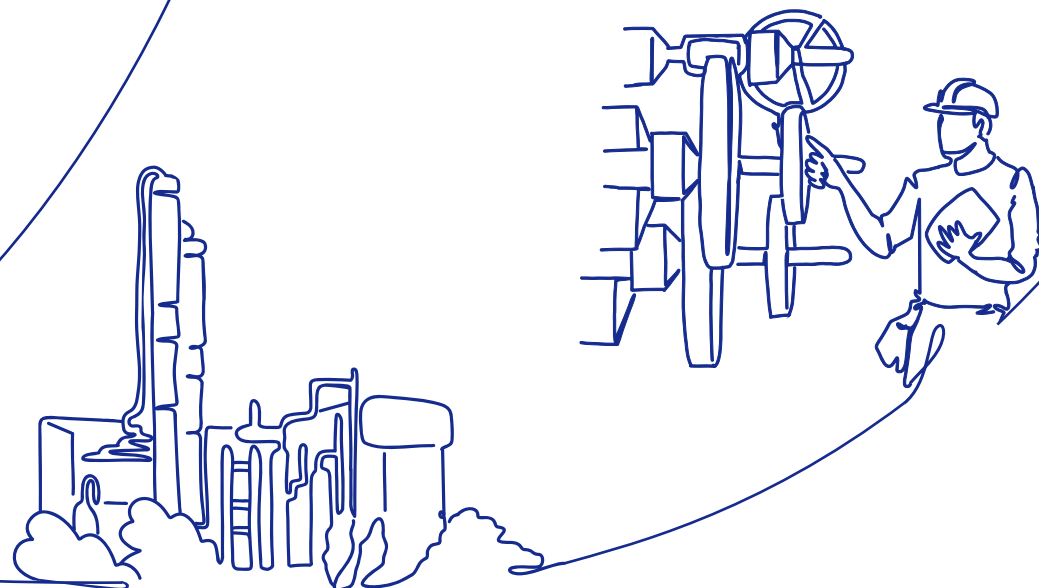
Strengthen competitiveness of our Oil Business and pursue low carbonization

Enhance competitiveness by digitizing refineries, etc., and shift to low-carbon operations through CCS/CCUS

Oil & New ~Next Stage~

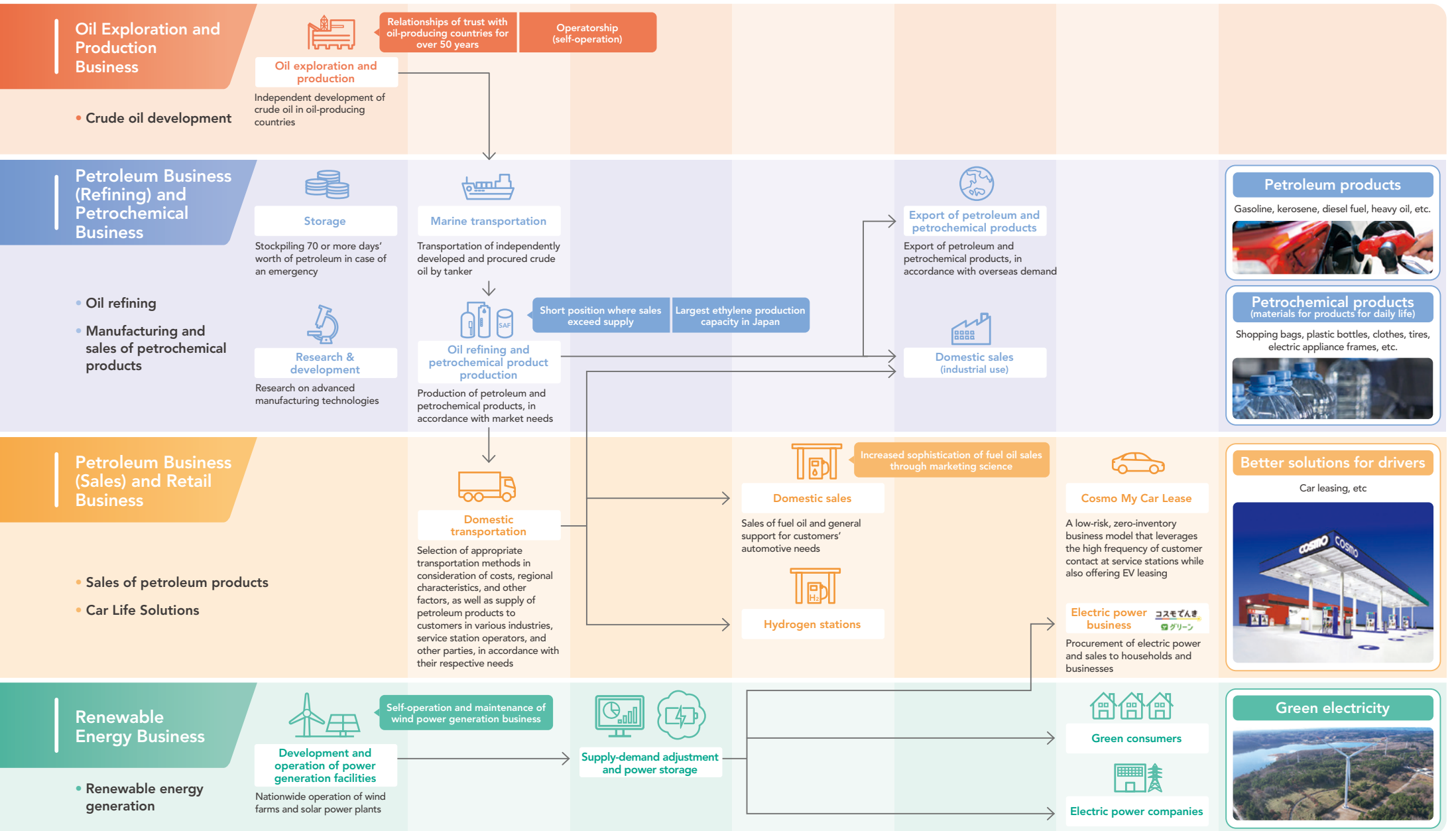
During the period of the Sixth Consolidated Medium-Term Management Plan, the Cosmo Energy Group successfully improved its financial position to a certain degree by increasing its profitability through the steady implementation of profit improvement initiatives. Under the Seventh Consolidated Medium-Term Management Plan, we will move to a new stage, under the slogan "Oil & New ~Next Stage~," and work to sustainably enhance enterprise value based on the following four basic policies.

- 1 Secure profitability
- 2 Expand New fields to drive growth
- 3 Realize three-pronged capital policy
- 4 Transform management foundation



Cosmo Energy Group Businesses —Present and Future—

Specific initiatives/potential under consideration

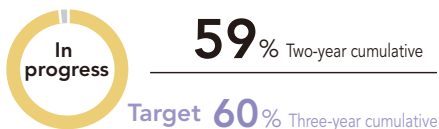


The Seventh MTMP KPIs at a Glance

Black text: FY2024 result
Blue text: FY2025 MTMP target (announced in March 2023)

Shareholder returns

Total payout ratio
(excl. the impact of inventory valuation)

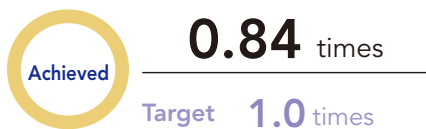


Dividend



Financial health

Net D/E ratio



Net worth



Capital efficiency

ROE

(excl. the impact of inventory valuation)



ROIC

(excl. the impact of inventory valuation)



Profitability

Ordinary profit

(excl. the impact of inventory valuation)



Profit attributable to owners of parent

(excl. the impact of inventory valuation)



Future investment

Investment in New fields



DX

Development of core digital personnel

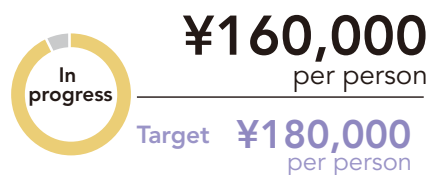


HRX

Engagement index



Human capital investment



GX

GHG emissions reduction 2030 vs. FY2013

(incl. Scope 1, 2, and reduction contribution)



1. The Company increased the annual dividend per share to ¥330 or more on February 6, 2025, and executed a two-for-one split of its common shares, effective October 1, 2025.

2. As announced in March 2023, the Company executed a two-for-one split of its common shares, effective October 1, 2025.

3. Before factoring in sales of assets (¥16.5 bil.)

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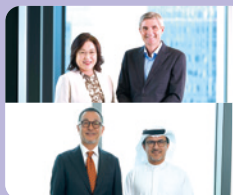
Key Messages in COSMO REPORT 2025

Five points



1 Understanding the business environment and the basis for managerial decisions — Pages 7–12

The Cosmo Energy Group is committed to further strengthening our foundation of safe operations and stable supply built over the years. At the same time, these increasingly unpredictable times call for us to further enhance enterprise value through sound economic reasoning and cumulative, well-informed decision making.



2 Oil fields: Taking efficiency to the next level — Pages 20–31

Our foremost competitive advantage in *Oil* fields is the exceptional efficiency with which we operate. From an energy security perspective, petroleum remains a vital energy resource. Given that petroleum products are expected to continue accounting for a significant share of energy demand in the foreseeable future, our Group recognizes the importance of increasing efficiency.



3 New fields: Balancing net zero carbon emissions and economic rationality — Pages 32–35

Many aspects of our *New fields* businesses are closely linked to efforts to reduce GHG emissions and are subject to the influence of global trends and the evolving timeline toward net zero carbon emissions. However, from a holistic perspective, initiatives are progressing smoothly in line with the Seventh MTMP.



4 Pursuing a three-pronged capital policy — Pages 37–39

Aiming to maximize enterprise value, we are committed to enhancing profitability while striving to secure appropriate net worth and improve capital efficiency.



5 Governance that ensures sustainable management decision making based on sound economic reasoning — Pages 46–49

Our Board of Directors includes independent outside directors who make up half of its members, with women comprising one-third of the Board. This has helped increase transparency and diversity. At Board meetings, directors engage in open discussions that consider shareholders' perspectives, with outside directors raising many questions and offering valuable insights each time.

Period covered

Fiscal year from April 1, 2024 to March 31, 2025 (However, the report includes some information from outside the above period.)

Report scope

Cosmo Energy Holdings Co., Ltd. and its 48 consolidated subsidiaries and 33 affiliated companies, etc. (as of March 31, 2025) Core operating companies in this report refers to Cosmo Oil, Cosmo Oil Marketing, and Cosmo Energy Exploration & Production, while semi-core operating companies refers to Maruzen Petrochemical.

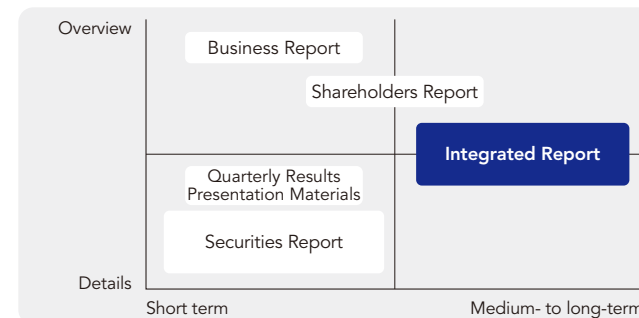
*The scope of coverage for the included data is provided in the corresponding footnotes.

Editorial policy

In editing this report, we referred to the International Integrated Reporting Framework of the International Financial Reporting Standards (IFRS) Foundation.

Information framework infographic

*The size of each medium indicates the amount of information conveyed.



These materials are available on our corporate website via the following links.

Integrated Report (COSMO REPORT)
<https://www.cosmo-energy.co.jp/en/ir/library/annual.html>

Securities Report, Quarterly Results Presentation Materials, and Shareholders Report
<https://www.cosmo-energy.co.jp/en/ir/library.html>

Business Report
<https://www.cosmo-energy.co.jp/en/ir/stock/meeting.html>

Message from the CEO

Oil & New ~Next Stage~

Prioritizing safety, stability, and economic rationality in uncertain times

Reflecting on my first two years as Group CEO

Valuing continuity and embracing change

Two years have passed since I assumed the role of Group CEO, coinciding with the launch of the Seventh MTMP. During this time, the business environment surrounding the Cosmo Energy Group has undergone significant changes. Among them, the most notable has been the rapid rise in inflation.

Over the past 37 years since I joined the Company (then Cosmo Oil Co., Ltd.) in 1988, the Japanese economy had, until recently, experienced prolonged deflation. Given the shifting external environment, I believe society as a whole must now reconsider the direction of its policies.

Our Group is committed to selecting and focusing on core businesses, while rigorously managing controllable costs and productivity. For areas where such efforts cannot fully absorb rising costs, we accurately assess the situation and respond swiftly—including, when necessary, seeking the understanding and cooperation of our valued customers.



Shigeru Yamada

Representative Director,
Group CEO

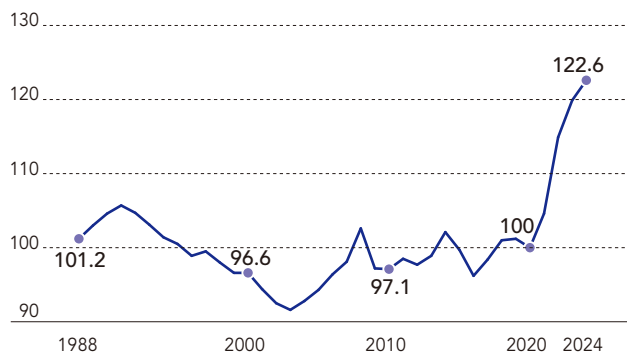
Message from the CEO

On the other hand, what remains unchanged is our steadfast commitment to safe operations and a stable supply—something I have consistently emphasized since becoming Group CEO. This focus should continue to guide the Group and also serve as a key source of our competitive advantage.

Although safety and stability are typically associated with manufacturing operations, our Group sees them as essential across our entire value chain—from crude oil development in the Middle East, transportation to Japan, and refining, to the supply of fuel at service stations and the corporate functions that underpin each step. We are committed to enabling all employees to perform their duties safely and with stability, regardless of their role or location.

Ensuring safe operations and a stable supply requires an unwavering daily commitment—it is something we build, step by step. To uphold this standard, it is essential that every employee embraces this mindset. I have consistently stressed this key group priority whenever possible, including in my New Year’s greetings and at welcome ceremonies for new employees. Now two years into my tenure as Group CEO, I increasingly sense, during my visits to various sites, that we are making

Trend in the domestic Corporate Goods Price Index (overall average)*



*Source: Statistics Bureau of Japan. Base year: 2020

meaningful progress—not only in the implementation of specific initiatives, but also in the mindset of our employees.

Understanding the business environment and the basis for managerial decisions

Shifts in energy security and transitioning to net zero carbon emissions

As I noted earlier, the business environment surrounding the Group is changing dramatically. Ongoing crises in Ukraine and the Middle East continue to drive geopolitical uncertainty around the world, with no resolution yet in sight. Additionally, with the new U.S. administration’s policies driving significant changes in trade rules, I sense that the global economy is becoming increasingly fragmented.

Japan must respond not only to rapid inflation but also to rising geopolitical risks. Specifically, as the country depends on imports for about 90% of its primary energy, it is essential to further enhance energy security by diversifying and strengthening energy procurement.

Another perspective to consider is the trend towards net zero carbon emissions. While I believe the long-term trajectory toward carbon neutrality remains unchanged, in the short term, rising global inflation has contributed to a slowdown in the renewable energy sector and a return to fossil fuels. These developments are prompting a reassessment of both the timeline for achieving net zero carbon emissions and the role of fossil fuels in ensuring energy security.

Domestically, the Cabinet’s endorsement of the Seventh Strategic Energy Plan and the GX 2040 Vision, as well as ongoing regulatory preparations for the GX-ETS¹, highlight the importance of staying attuned to shifts in energy policy.

1. GX-ETS (Green Transformation - Emission Trading Scheme): An emission trading scheme conducted under the GX League framework

Sustainable management decision making based on sound economic reasoning

In my view, advancing a business involves a continuous cycle of navigating uncertainty by gathering a broad range of information and variables, envisioning the future, making sound decisions, and strategically investing management resources to realize growth. As obvious as it may seem, we must always remember that economic rationality remains a cornerstone of sound decision making. Given that we are in an era where the outlook is extremely challenging and uncertain, I believe that examining and pursuing economic rationality from multiple perspectives and consistently making decisions without losing sight of this focus are key to enhancing enterprise value. We are committed to fully pursuing economic rationality as a core principle—not only within our current leadership team but also among the next generation of management who will shape the Company’s future.

Management decisions are grounded in a robust governance framework. Our Board of Directors includes independent outside directors who make up half of its members, with women comprising one-third of the Board. This has helped increase the transparency and diversity essential to enhance enterprise value. At Board meetings, directors engage in open discussions that consider shareholders’ perspectives, with outside directors raising many questions and offering valuable insights each time. Thanks to Board reforms in 2022, a greater degree of business execution authority has been delegated to executive officers—enabling faster, more responsive decision making in the face of evolving external conditions.

Progress of the Seventh MTMP and sources of profitability

Record-breaking profits in FY2024

As I conveyed in last year’s integrated report, FY2023—the first year of the Seventh MTMP—saw us take steady steps toward the sustainable enhancement of enterprise value by achieving many of the KPIs we set as targets. In FY2024, the plan’s second

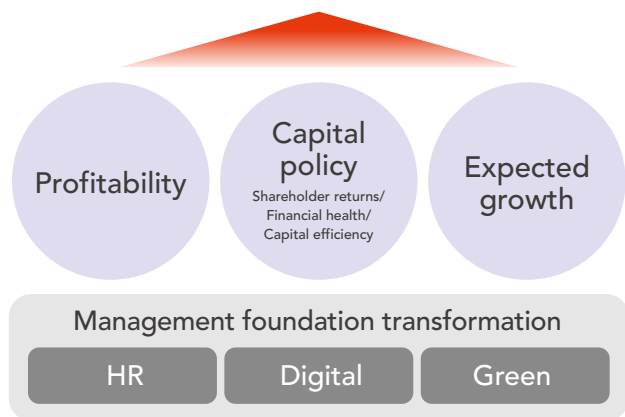
Message from the CEO

year, although some of our New fields initiatives required rethinking, we steadily implemented strategies focused on Oil fields and overall made progress in accordance with the plan. In terms of profits, we were mostly able to attain the targets set for the second year of the three-year medium-term management plan.

Particularly in the Petroleum Business, although the decrease in sales volume was less than we expected, margins remained higher than anticipated. Meanwhile, the refinery operating rate continued to exceed the industry average. As a result, our consolidated ordinary profit (excluding the impact of inventory valuation), which reflects our true profitability, reached an all-time high in FY2024.

The Seventh Consolidated Medium-Term Management Plan

Oil & New
~Next Stage~
Enterprise value enhancement



Oil fields: Taking efficiency to the next level

In Oil fields, although capital markets had previously viewed us unfavorably due to factors such as declining domestic demand for petroleum products and uncertainties related to the transition toward a carbon-neutral society, we are now steadily earning recognition thanks to our high profitability and strong return-on-investment prospects.

Our foremost competitive advantage in Oil fields is the exceptional efficiency with which we operate. In the Petroleum Business, we strategically reduced supply capacity by shutting down the Sakaide Refinery in 2013, while starting to supply Kygnus Sekiyu in 2019, establishing a short position where sales exceed supply amid declining domestic demand. Building on our established OMS² practices, we have led the industry in refinery digitization and digital transformation (DX) initiatives. These efforts have enabled us to consistently achieve high uptime and operational efficiency since 2019, outperforming the industry average.

In the Oil Exploration and Production Business, we have built a strong and enduring relationship of trust with the United Arab Emirates (UAE), spanning more than 50 years—dating back to before the country's founding. The technology, expertise, and experience accumulated over many years of self-operation have enabled low-cost crude oil production. This helped us maintain profitability even when the Dubai crude oil price fell to the \$30-per-barrel range, demonstrating our strong competitive edge. In FY2024, we successfully restored oil reservoir pressure at the Hail Oil Field through water injection³—an achievement expected to contribute to increased crude oil production by the Group.

The Petrochemical Business continues to face a prolonged downturn in basic chemical market conditions, driven by structural oversupply from new and expanded large-scale manufacturing facilities in China, alongside the slowdown in the Chinese economy and reduced domestic demand in Japan. In light of these circumstances, in FY2024, we promptly began making

improvements to our business structure, including selling our shares in South Korea-based HCP⁴ and deciding to optimize our production system in the Chiba area.

From an energy security perspective, petroleum remains a vital energy resource. Given that petroleum products are expected to continue accounting for a significant share of energy demand in the foreseeable future, our Group recognizes the importance of increasing efficiency in Oil fields.

At the same time, in order to achieve net zero carbon emissions, we are pursuing energy conservation activities at refineries, which account for a large proportion of GHG⁵ emissions, and utilizing negative emissions technologies such as CCS⁶. We are also structurally consolidating facilities in the Petrochemical Business, aiming to reduce GHG emissions across the Group as a whole.

2. OMS (Operations Management System): The Cosmo Oil Group's refinery division has established a policy consisting of 25 requirements as critical items indispensable for achieving safe operations and stable supply. Based on this policy, the head office and refineries are strengthening their respective initiatives and cooperation through the OMS.
 3. Water injection: A technique that involves injecting water into an oil reservoir to restore declining reservoir pressure at oil fields
 4. HCP (HD Hyundai Cosmo Petrochemical Co., Ltd.): A joint South Korea-based Petrochemical Business venture established by Cosmo Oil Co., Ltd., a subsidiary of Cosmo Energy Holdings Co., Ltd., and HD Hyundai Oilbank Co., Ltd.
 5. GHG: Greenhouse Gas
 6. CCS: Carbon dioxide Capture and Storage



Using VR data to check facility conditions

Message from the CEO

New fields: Balancing net zero carbon emissions and economic rationality

Many aspects of our New fields businesses are closely linked to efforts to reduce GHG emissions and are subject to the influence of global trends and the evolving timeline toward net zero carbon emissions. However, from a holistic perspective, initiatives are progressing smoothly in line with the Seventh MTMP.

Regarding SAF⁷, a type of next-generation energy, the production line for the mass production of Japan's first domestic SAF was completed in December 2024. Supply to domestic and international airlines started in FY2025. In 2021, the Group's SAF business was the first initiative to be selected to as a NEDO-subsidized project⁸, with the aim of obtaining CORSIA⁹ certification—a framework approved at the 2016 ICAO¹⁰ Assembly. Through collaboration with leading external companies, we have established an end-to-end supply chain that encompasses everything from feedstock procurement to SAF sales. While global regulations and domestic policies in Japan have accelerated SAF adoption, our strength lies in our pioneering role in this field. We are securing contracts with a wide range of customers, including domestic and international airlines as well as cargo carriers.

In the hydrogen area, we entered into a capital and business alliance with industry leader Iwatani Corporation in April 2024 and opened our first hydrogen station in Heiwajima (Ota City, Tokyo) that same month. In March 2025, we opened our second station in Ariake (Koto City, Tokyo), marking steady progress in our joint initiative. Looking ahead to growing future demand for hydrogen, we started exploring the feasibility of hydrogen production and sales businesses, leveraging the assets of Iwatani Corporation and Cosmo Oil's Chiba Refinery. Iwatani Corporation has built extensive expertise and a robust network in the hydrogen sector over many years. For our Group, this alliance represents a key strength, enabling us to steadily advance our business development in this field.

Lastly, regarding the green electricity supply chain, although we opted not to participate in the offshore wind power project bidding process—based on sound economic reasoning that factored in changes in the business environment—this decision does not call into question the overall integrity of our business model.

In the onshore wind power generation business, Cosmo Eco Power—established as Japan's first wind power producer and backed by approximately 30 years of experience—has been steadily building up its project portfolio. In electric power sales, our strength lies in operating actual wind power plants and owning green electricity sources. Leveraging this advantage, we are expanding supply to a wide range of customers—including local governments and corporations—through corporate PPAs¹¹ and retail electricity sales via Cosmo Denki (Electricity).

From the outset, we have worked to establish a green electricity supply chain with a focus on 2030 and beyond, making strategic decisions in our offshore wind power generation business aimed at monetization after 2030. However, rising costs driven by rapid inflation and intensifying competition have clearly altered the business environment from what was envisioned when we formulated our medium-term management plan. Building on the progress made thus far during the Seventh MTMP period, we will thoroughly reassess the Group's assets, development capabilities, and expertise, and proceed with restructuring our strategy.

7. SAF: Sustainable Aviation Fuel

8. NEDO (New Energy and Industrial Technology Development Organization)-subsidized project: "Establishment of a Supply Chain Model for SAF Production From Domestic Used Cooking Oil" selected in August 2021

9. CORSIA: Carbon Offsetting and Reduction Scheme for International Aviation

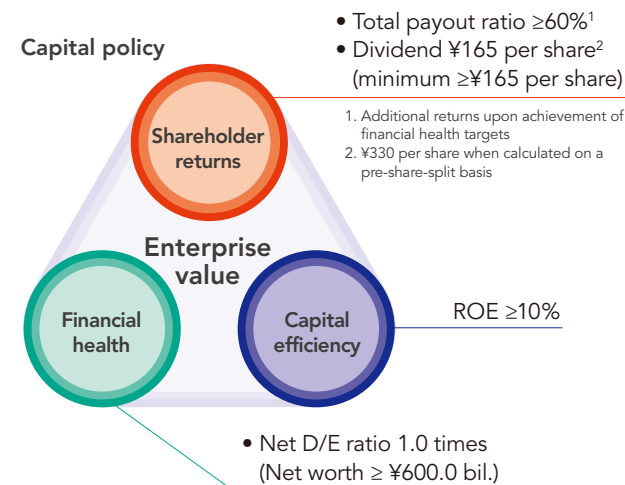
10. ICAO: International Civil Aviation Organization

11. Corporate PPA: A long-term purchase agreement between a power producer and a consumer for renewable energy-derived electricity and its environmental value, or for environmental value alone

Pursuing a three-pronged capital policy

Alongside profitability, our capital policy is a key pillar in enhancing enterprise value. In the Seventh MTMP, we have established a capital policy based on a three-pronged approach that places equal emphasis on shareholder returns, financial health, and capital efficiency.

In FY2024, our Oil fields businesses led in capital efficiency, achieving a return on equity (ROE) of over 10% for the second consecutive year. Regarding shareholder returns, with solid earnings as a foundation, we are steadily progressing toward achieving a cumulative total payout ratio of 60% or more over a three-year period by increasing dividends per share and conducting share buybacks. When it comes to financial health, although net worth decreased due to business structure improvements and the impact of inventory valuation, we had calculated the necessary net worth to withstand short-term risk fluctuations at the time of formulating the Seventh MTMP, and have been steadily working to build our net worth since then.



Message from the CEO

Aiming to maximize enterprise value, we remain committed to enhancing profitability while striving to secure appropriate net worth and improve capital efficiency.

Progress in management foundation transformation

Human resource development is key to sustainably enhancing enterprise value

As I shared upon becoming CEO two years ago, while strong teamwork is one of our Group’s core strengths, I also place great importance on fostering healthy friction through friendly competition within teams, as well as nurturing a strong individual desire for personal growth.

Since then, whenever I have addressed employees, I have consistently encouraged them to embrace positive, healthy friction. While simply communicating this message may not lead to immediate change, I urge them to start wherever they can—even if it’s just revising a single meeting document. If it does not work, they can change it again. Enacting change requires energy.

It may invite criticism, and friction may occur. But I believe that pushing through these challenges is what drives the growth of individuals, teams, and ultimately, the Company.

We are also prioritizing investment in human resources to cultivate a strong desire for growth among individual employees. We regard spending on human capital not as a cost, but as a strategic investment. Since FY2023, we have implemented wage increases for three consecutive years—outpacing the private-sector average each year. In addition, we place strong emphasis on education, introducing various programs—including a system where executives serve as mentors to nurture future managerial talent. Specifically, as part of training for newly appointed general managers, we introduced one-on-one presentation sessions with me, the Group CEO, on the final day. This opportunity was well-received by participants, and I believe our collective efforts as a Group are moving decisively in the right direction.

While human resource investment is often viewed primarily in monetary terms, the details matter. It is essential to continuously assess the outcomes—namely, the degree of individual growth—

resulting from these efforts. I believe that the development of our people is intrinsically linked to the growth of the Company, and that it is through the growth of each individual employee that we can sustainably enhance enterprise value. Although such investment may not deliver immediate results, I look forward to nurturing the talent that will lead the Group five or ten years from now.

Building a culture of digital transformation

Two years ago, when I assumed the role of Group CEO, I described DX as an area with significant room for growth.

Management personnel selection and training process



Message from the CEO

Today, I feel confident that we are making tangible progress both in the development of human resources and the realization of DX initiatives.

In the early stages of our DX journey, our efforts primarily focused on improving operational efficiency through the streamlining of workflows and operational reforms. Since then, we have not only digitized our refineries, which directly support safe operations and stable supply, but we have also been working to leverage data to drive revenue growth on the sales and marketing frontlines.

The Group has established an annual program to recognize DX initiatives through Cosmo's DX Hub¹², which supports the



resolution of business challenges across various domains. This program not only highlights individual initiatives but also facilitates information sharing and the deployment of ideas across other organizations, reinforcing the sense that DX is deeply embedded in our corporate culture.

12. Cosmo's DX Hub: An in-house program under which a dedicated DX Taskforce supports the implementation of DX project ideas solicited from within the Group, with the goal of accelerating digitization

Aiming for medium- to long-term enterprise value enhancement

Oil fields profit foundation supports initiatives in New fields

Under the Seventh MTMP, which was designed to enhance enterprise value, efforts have been directed toward improving the price book-value ratio (P/B ratio). In FY2024, the P/B ratio remained stable at approximately 1.0 times throughout the year. When the P/B ratio is broken down into its components, return on equity (ROE) multiplied by price-earnings ratio (P/E ratio), I believe we have successfully maintained a strong ROE, although we continue to aim for further improvement. Conversely, the P/E ratio, which serves as an indicator of future growth potential, has been impacted by a challenging business environment in *New fields*, including uncertainty surrounding the timeline for achieving net zero carbon emissions.

The Group's profit structure is anchored by highly efficient *Oil fields*, providing a solid foundation that enables us to pursue opportunities in *New fields* that involve various forms of risk-taking. It is precisely because of this solid foundation that we are able to take calculated risks in *New fields*. Moving forward, we will continue to strengthen and refine our core *Oil fields* businesses to ensure they remain even more robust and resilient. As Group CEO, I am committed to personally communicating our strategy to shareholders and investors whenever possible—particularly during periods of heightened uncertainty in the business environment.

Realizing the Seventh MTMP and looking ahead to the next decade

As previously discussed, the global situation remains highly chaotic, and the management environment continues to grow increasingly uncertain. While the slogans of our Group's medium- to long-term vision, Vision 2030—"Energy that shapes the future" and "Energy that sustains society"—remain unchanged, we recognize the need to reassess the time horizon for realizing this vision in light of the timeline for achieving net zero carbon emissions and the evolving evaluation of fossil fuels from the perspective of energy security.

In this context, FY2025—the final fiscal year of the Seventh MTMP—will see us firmly generate profits in *Oil fields* under "Oil & New," just as we envisioned at the time of the plan's formulation, in order to achieve our MTMP targets. With that in mind, I intend for this to be a pivotal year for thoroughly shaping strategies to drive the Group's growth over the next decade.

Discussions around the next 10 years are now in full swing. With a focus on global trends and the value our Group can provide in this evolving landscape, we are considering establishing a framework that ensures we stay responsive and resilient—even amid shifts in the external environment.

The Group will soon mark the 40th anniversary since the establishment of Cosmo Oil through a merger. As we approach this milestone, we are committed to further strengthening our foundation of safe operations and stable supply built over the years. At the same time, these increasingly unpredictable times call for us to further enhance enterprise value through sound economic reasoning and cumulative, well-informed decision making.

I look forward to your continued support as the Cosmo Energy Group embarks on its next phase of growth.

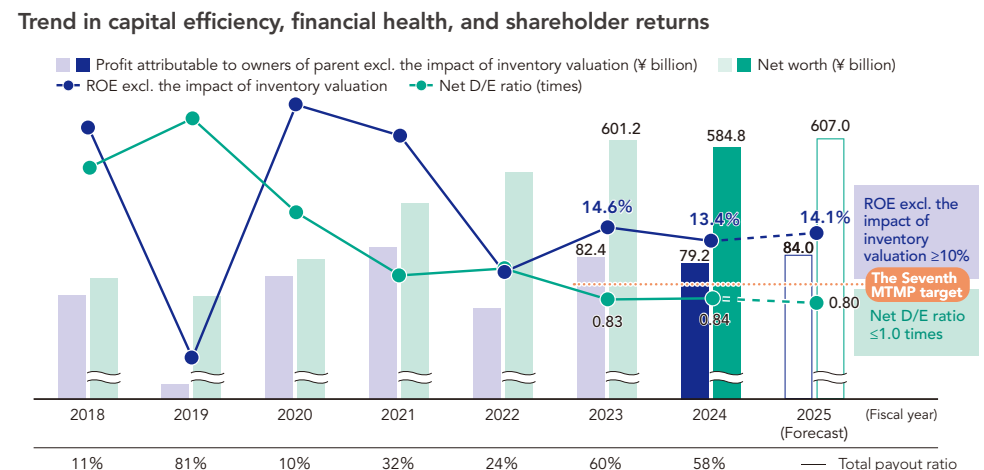
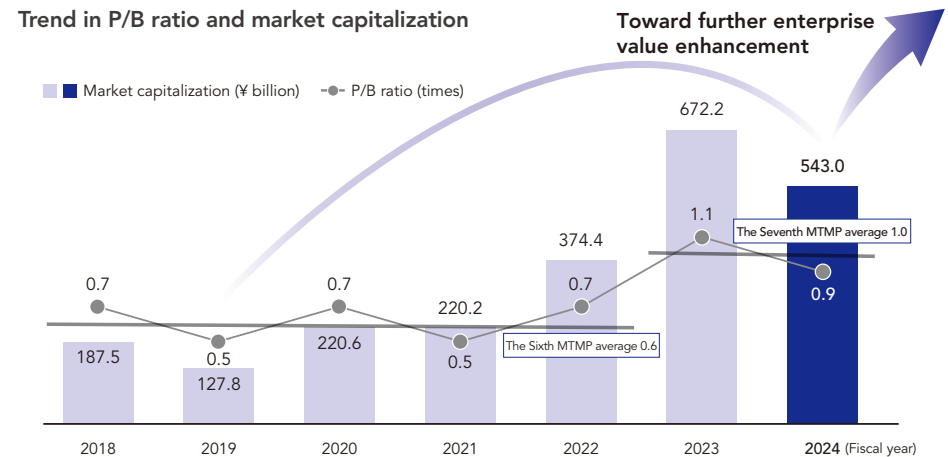
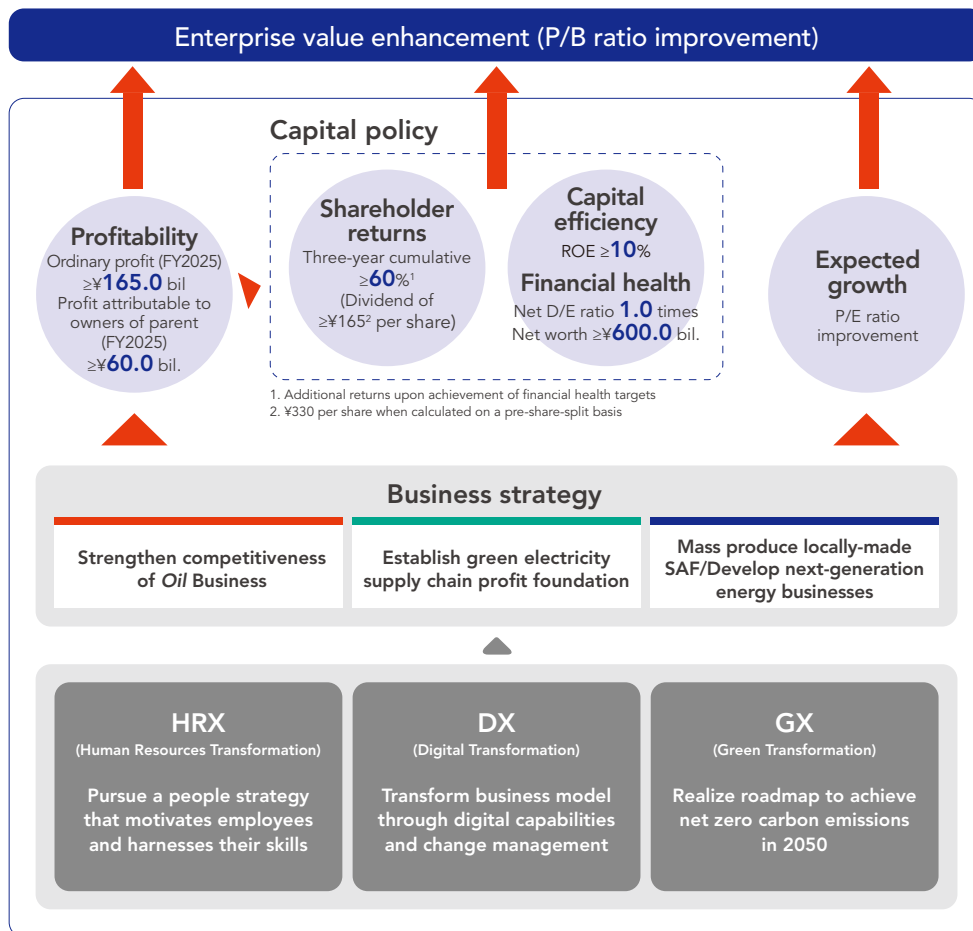
Initiatives to Enhance Enterprise Value

Although the Cosmo Energy Group experienced a notable decline in financial health due to factors such as the impact of the accident caused by the Great East Japan Earthquake and the booking of substantial inventory valuation losses resulting from the fall in crude oil prices, we successfully restored our financial standing to a certain degree through the diligent execution of various initiatives during the period of the Sixth MTMP (FY2018-2022).

In FY2022, we announced a shareholder return policy that explicitly emphasized significant strengthening of shareholder returns, and in March 2023, we unveiled the Seventh MTMP, which includes our new capital policy.

As a result of implementing our three-pronged capital policy, which encompasses shareholder returns, financial health, and capital efficiency, based on solid earnings, our share prices rose significantly during FY2023, resulting in our average price book-value ratio (P/B ratio) during the Seventh MTMP period exceeding 1.0 times.

Building on this, we will work to achieve each of the targets set out in the Seventh MTMP as we seek to further enhance enterprise value.



COSMO REPORT 2025

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History of Value Creation

Thirty-nine years have passed since the establishment of Cosmo Oil and the start of the Cosmo Energy Group. Amid a variety of changes in the business environment, the Cosmo Energy Group remains committed to fulfilling its mission of providing a safe and stable energy supply and making ongoing contributions to society.

1933–1985

Prologue to Cosmo Oil

Daikyo Oil and Maruzen Oil commenced operation

1986–2006

Birth of a new Cosmo Oil toward a new development stage

Became unwaveringly competitive despite rough waves of liberalization

2007–2014

Prospects for a new growth track

Damage and reconstruction from the Great East Japan Earthquake

2015–2022

New journey as the Cosmo Energy Group

Striving to grow based on the newly established Group's management foundation and contributing to a sustainable society

2023–

Toward sustainable enterprise value enhancement

Accelerating change toward the future, aiming to evolve into a corporate group that is chosen by society

1933 Maruzen Oil established

1939 Daikyo Oil established

1943 Construction of the Yokkaichi Refinery completed

1963 Construction of the Chiba Refinery completed

1967 Mubarraz Oil Field concession acquired

1968 Abu Dhabi Oil established

1968 Construction of the Sakai Refinery completed

1970 United Petroleum Development established

1984 Cosmo Oil (Refining) established

1984 Cosmo Oil (Refining) established

1986 Cosmo Oil established through the tripartite merger of Daikyo Oil, Maruzen Oil, and former Cosmo Oil (Refining)

1986 Abu Dhabi Office opened

1986 Cosmo service stations completely redesigned

1989 Asian Oil merged into Cosmo Oil

1989 Asian Oil merged into Cosmo Oil

1997 "Filling up your hearts, too" adopted as brand statement

1997 Independent Power Producer business entered

1999 Business alliance formed with Nisseki Mitsubishi Co. Ltd. (currently ENEOS Corporation)

2004 Wind power generation started in Sakata City, Yamagata Prefecture

2005 Full-scale entrance made into the mixed xylene business and CM Aroma established

2007 Business alliance formed with International Petroleum Investment Company¹ (currently Mubadala Investment Company²)

2007 Japanese language education program launched in the UAE

2008 Full-scale entrance made into the petrochemical business

2010 Eco Power Co., Ltd. shares acquired and full-scale entrance made into the wind power generation business

2010 Delayed coker unit commenced operation at the Sakai Refinery

2010 Auto leasing business Cosmo Vehicle Lease³ started

2011 Explosion and fire accident occurred at the Chiba Refinery due to the Great East Japan Earthquake

2011 Construction of mixed-xylene distillation unit completed at the Yokkaichi Refinery

2012 Abu Dhabi Oil's new concession agreement came into effect

2012 Operation resumed at the Chiba Refinery's No. 2 Crude Distillation Unit (CDU)

2013 Sakaide Refinery shut down, resulting in a three-refinery organization

2015 Cosmo Energy Holdings established

2015 Business alliance formed with Showa Shell Sekiyu K.K. (currently Idemitsu Kosan Co., Ltd.) in the Yokkaichi area

2015 Cosmo Energy Holdings established

2016 Maruzen Petrochemical became a consolidated subsidiary

2017 Production at the Hail Oil Field commenced

2018 Fuel conversion work at the Yokkaichi Kasumi Power Plant completed

2018 Sales of Cosmo Denki (Electricity) commenced

2018 Fiftieth anniversary of Abu Dhabi Oil celebrated

2019 Supply of fuel oil to Kygnus Sekiyu commenced

2019 Eco Power became a wholly-owned subsidiary and was renamed Cosmo Eco Power

2020 Cosmo Energy Holdings declared its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

2021 Cosmo Zero Carbon Solution, a package of products that includes renewable energy and complementary products, such as EVs, launched

2021 Offshore Block 4 in the Emirate of Abu Dhabi acquired

2021 MoU concerning possible collaboration in the decarbonization field concluded with Masdar

2021 Basic agreement concerning possible collaboration in the hydrogen business concluded with Iwatani Corporation

2022 Roadmap for Achieving Net Zero Carbon by 2050 was disclosed

2022 Conversion to electricity essentially generated from renewable energy sources completed at all Company Energy Group-operated service stations

2022 Joint studies on domestic SAF production technology utilizing Alcohol-to-Jet (ATJ) technology commenced with Mitsui & Co., Ltd.

2023 Commercial operation of offshore wind farms at Akita Port and Noshiro Port in Akita Prefecture commenced

2024 Capital and business alliance agreement entered into with Iwatani Corporation

2025 Supply of Japan's first mass-produced, domestic SAF commenced at the Sakai Refinery

2025 Decision to optimize ethylene production in the Chiba area made by Maruzen Petrochemical

Legend:

- Common to all businesses
- Related to the Petroleum Business
- Related to the Petrochemical Business
- Related to the Oil E&P Business
- Related to the Renewable Energy Business

Footnotes:

- International Petroleum Investment Company: An investment company wholly owned by the Government of the Emirate of Abu Dhabi
- Mubadala Investment Company: An energy-related investment company wholly owned by the Emirate of Abu Dhabi. Formed as a
- Currently, Cosmo My Car Lease



Cosmo Oil Chiba Refinery



"Filling up your hearts, too" corporate logo



Cosmo Energy Exploration & Production Central Facilities Platform (CFP)

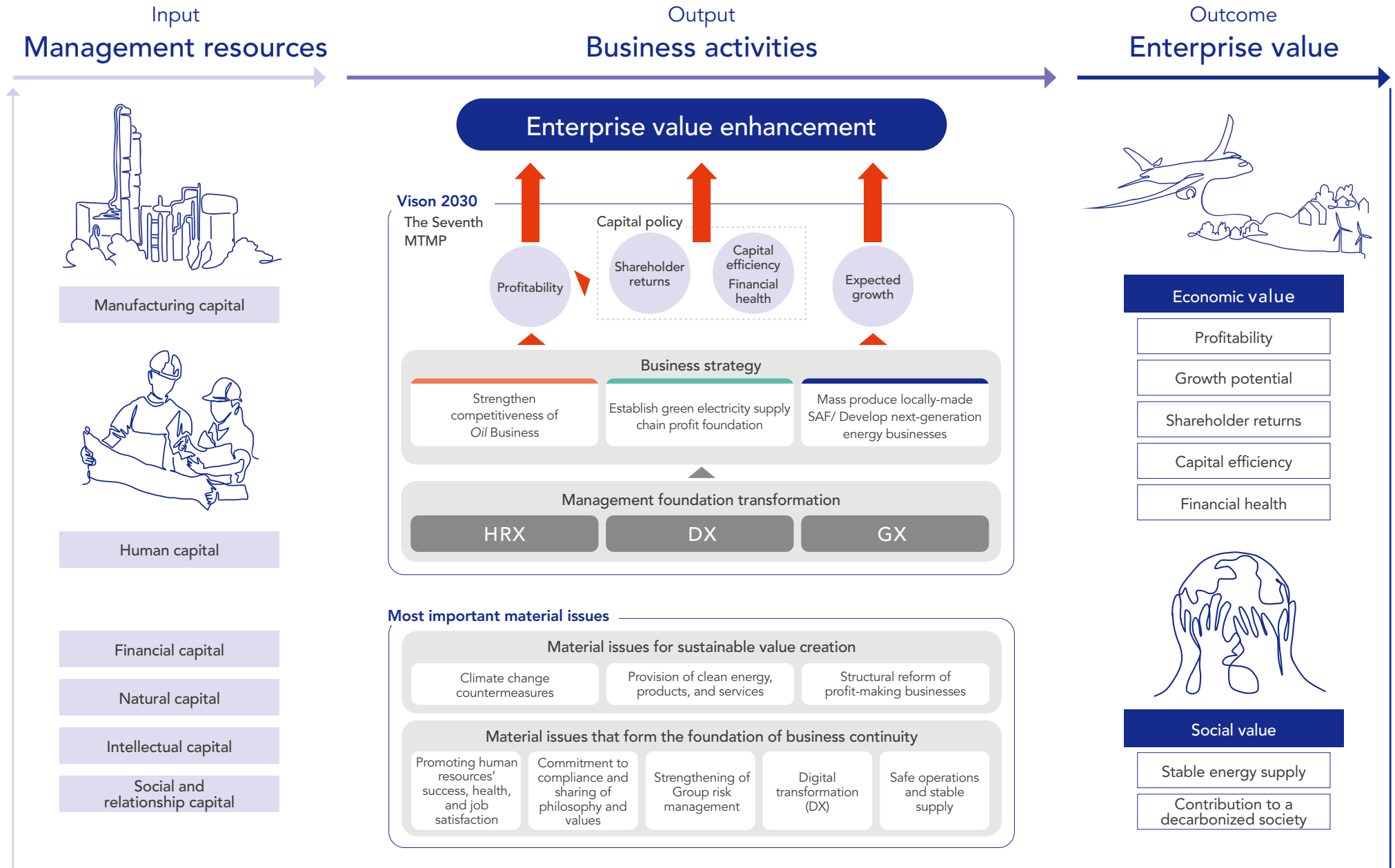


Wind power generation: Iwata Wind Farm



Maruzen Petrochemical Chiba Plant

Value Creation Model



Value Creation Model

Resources to Sustain Value Creation and Enterprise Value

Input Management resources

Outcome Enterprise value

Manufacturing capital

- Crude oil production **Approx. 39,000** barrels per day
(comparison with crude oil processing capacity: approx. 9%)
- Crude oil processing capacity **400,000** barrels per day
- Refinery operating rate (CD basis¹) **88.4%**
- Refinery operating rate (SD basis²) **96.3%**
- Operations Management System (OMS) as a foundation for safe operations and stable supply
- Number of service stations **2,546**
- Petrochemical production capacity
 - Olefins Ethylene³ **1.29** million tons per year
 - Aromatics Benzene **485,000** tons per year
 - Mixed-xylene **618,000** tons per year
- Wind power plant capacity⁴ **293MW**
(No. 3 in Japan/approx. 5% domestic share)

1. CD (Calendar Day) basis: The operating rate of the Company (total for three refineries)
 2. SD (Streaming Day) basis: The operating rate of the Company (total for three refineries) excluding the impact of regular maintenance, etc.
 3. Includes the production capacity of Keiyo Ethylene, a consolidated subsidiary in which Maruzen Petrochemical has a 55% stake
 4. As of December 31, 2024

Human capital

- Number of employees (consolidated) **6,487** people
- Average number of temporary workers **3,535** people

Financial capital

- Total assets **¥2,156.6** billion
- Net assets **¥707.5** billion
- Net worth **¥584.8** billion
- Free cash flow **-¥8.6** billion

Natural capital

- Crude oil reserves **145.5** million barrels
(equivalent to approx. 17 years' worth of supply)
- Wind, sunlight, and other natural energy sources

Intellectual capital

- Intellectual property rights
 - Number of patents held **926**
(Japan: 603, Overseas: 323)
 - Number of trademark rights held **484**
(Japan: 354, Overseas: 130)
- Brand
 - Company recognition rate **96%**⁵

5. Based on a nationwide survey of 2,000 men and women aged 16-69 years by an external research agency (as of August 2024)

Social and relationship capital

- Number of Cosmo The Card holders **3.59** million
- Cumulative number of Cosmo My Car Lease contracts **131,891** vehicles
- Number of COSMO official app downloads **9.29** million
- Friendly relationships with oil-producing countries for over **50** years

*Unless otherwise specified, figures are actual results for FY2024 or as of March 31, 2025.

Economic value

(FY2025 target under the Seventh MTMP)

Profitability

Ordinary profit (excl. the impact of inventory valuation)
¥165.0 bil.
 Profit attributable to owners of parent (excl. the impact of inventory valuation)
≥¥60.0 bil.

Growth potential

Investment in New fields
¥140.0 bil.
 (three-year cumulative)

Shareholder returns

Total payout ratio
≥60% (three-year cumulative)
 Dividend
≥¥165 per share⁶

Capital efficiency

ROIC (excl. the impact of inventory valuation)
≥6%
 ROE (excl. the impact of inventory valuation)
≥10%

Financial health

Net D/E ratio
1.0 times
 (Net worth ≥¥600.0 bil.)

6. Raised to ¥330 or more per share on February 6, 2025.
 A two-for-one split of common shares was executed, effective October 1, 2025.

Social value

Stable energy supply

Contribution to a decarbonized society

The Seventh Consolidated Medium-Term Management Plan (FY2023-2025)

2050
Net Zero
Carbon Emissions

The Seventh MTMP was formulated by backcasting from our vision for the future, Vision 2030.

Building on the significantly strengthened profitability achieved during the Sixth MTMP, we aim to enhance enterprise value under the Seventh MTMP.

The Seventh Consolidated Medium-Term Management Plan

Vision 2030

The Seventh Consolidated Medium-Term Management Plan

Oil & New ~Next Stage~

Enterprise value enhancement



Management foundation transformation

HR Digital Green

Vision 2030

To create energy that shapes the future, energy that sustains society, and new forms of value



Bolster green electricity supply chain

Build a high value-added supply chain that encompasses power generation, supply-demand adjustment, and sales



Expand next-generation energy

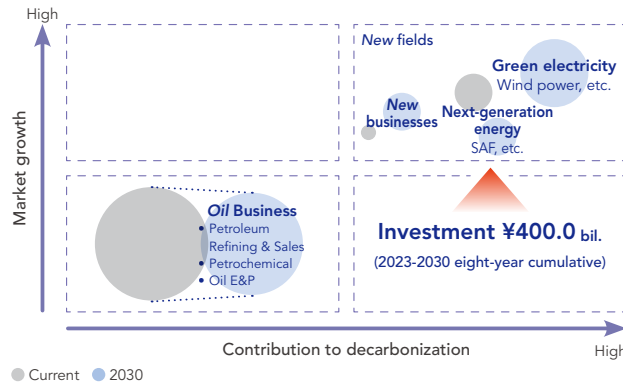
Supply SAF and develop hydrogen and other energy businesses



Strengthen competitiveness of Oil Business and pursue low carbonization

Enhance competitiveness by digitizing refineries, etc. and shift to low-carbon operations through CCS/CCUS

Business portfolio



Profitability

Ordinary profit
¥200.0-250.0 bil.
Profit attributable to owners of parent
¥90.0-120.0 bil.

Investment

New fields **¥400.0 bil.**
(2023-2030 eight-year cumulative)
¥600.0 bil. strategic investment incl. in New fields

Capital efficiency

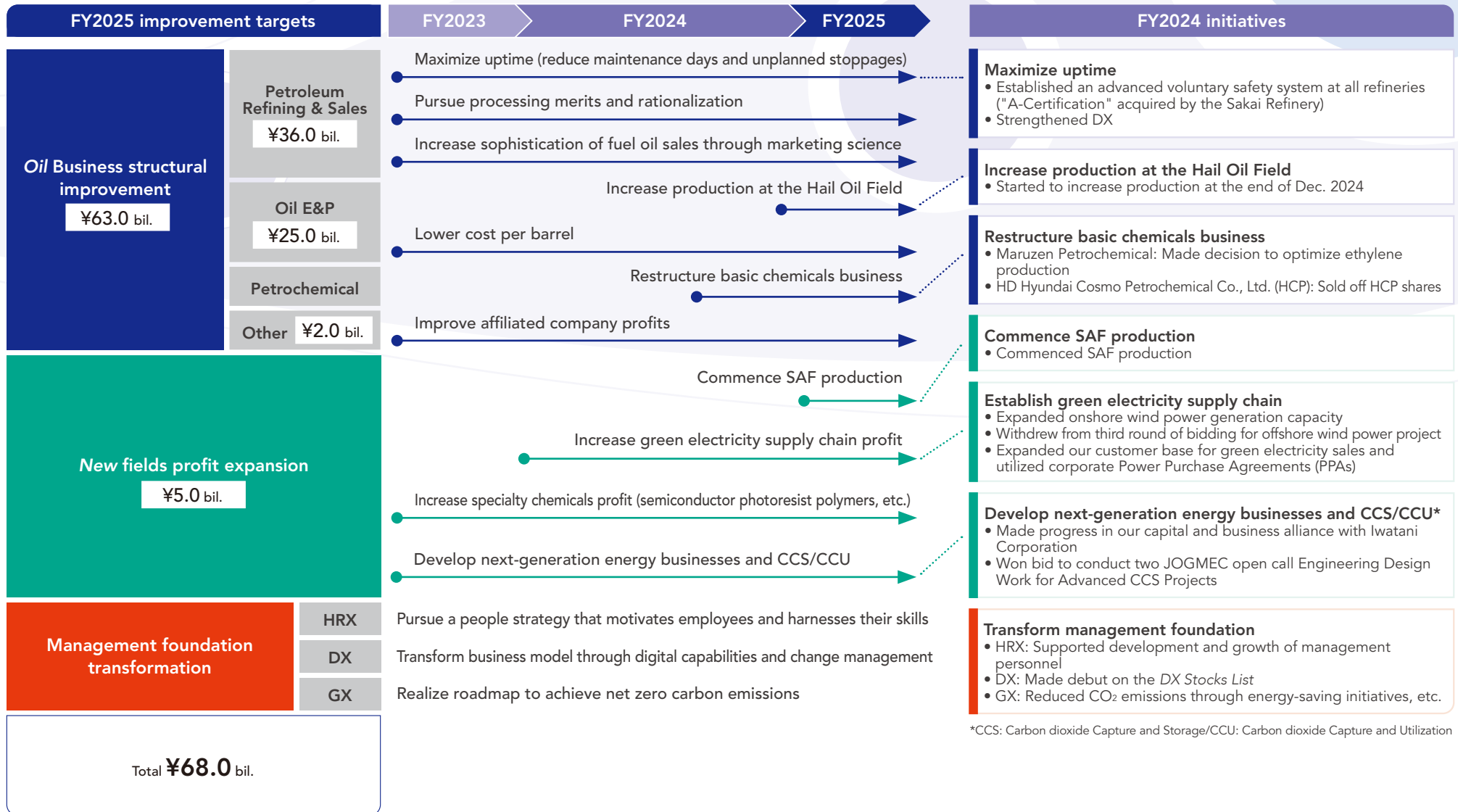
ROE **≥12%**
ROIC **≥8%**

Climate change countermeasures

CO₂ emissions reduction
-30%
-2.0 mil. tons of CO₂ vs. FY2013

The Seventh Consolidated Medium-Term Management Plan (FY2023-2025)

In FY2024, the second year of the Seventh MTMP, we had to rethink certain New fields initiatives; however, we steadily implemented measures, with a focus on Oil fields, and overall made progress as planned. In FY2025, the plan's final year, we aim to achieve the targets set forth in the Seventh MTMP by firmly generating revenue in Oil fields under "Oil & New," as envisioned at the time of the plan's formulation.



*CCS: Carbon dioxide Capture and Storage/CCU: Carbon dioxide Capture and Utilization

Strengthening Competitiveness of Our Oil Business and Pursuing Low Carbonization: Petroleum Business

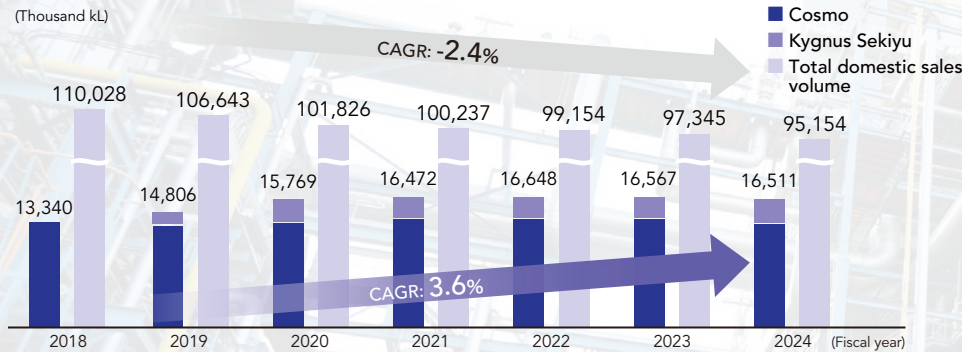
Improving profitability by establishing a short position and maximizing refinery operations

In Japan, demand for petroleum products is projected to decline over the medium- to long-term. Although the decline in gasoline demand has been slower than previously anticipated, establishing supply systems aligned with future demand is an industry-wide priority for ensuring profitability in the petroleum business. In response, the Cosmo Energy Group has worked to optimize supply volumes and expand its customer base. The closure of the Sakaide Refinery in FY2013 and the launch of a

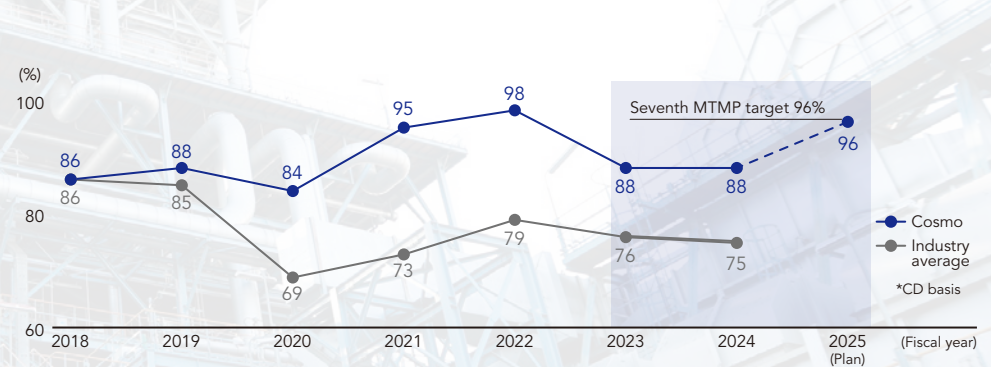
system for supplying Kygnus Sekiyu in FY2019 enabled us to establish a short position, whereby sales volumes exceed production volumes. As a result, our refinery Crude Distillation Unit (CDU) operating rate has consistently exceeded the industry average since FY2019, even amid a nationwide decline in demand. In addition to these initiatives, the Oil Business has also benefited from favorable domestic margins, resulting in a marked improvement in profitability.

The Group has positioned maximizing the refinery operating rate as a priority initiative under the Seventh MTMP and is working to digitize refineries and establish an advanced voluntary safety system to shorten maintenance periods and reduce unplanned stoppages.

Trend in petroleum product demand and our sales volume

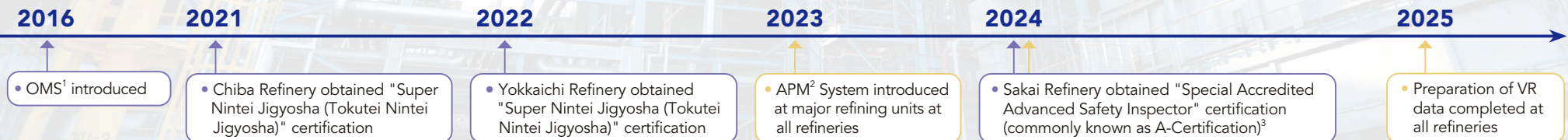


Trend in refinery operating rates



Key initiatives to strengthen competitiveness of our Petroleum Business

• Digital transformation (DX) • Safe operations and stable supply



1. Operations Management System (OMS): The Cosmo Oil Group's refinery division has established a policy consisting of 25 requirements as critical items indispensable for achieving safe operations and stable supply. Based on this policy, the head office and refineries are strengthening their respective initiatives and cooperation through the OMS.
 2. Asset Performance Management (APM) System: The system incorporates the global standard for maintenance and equipment reliability work processes and can efficiently and effectively manage big data on maintenance as well as improve comprehensiveness, predictability, and manageability.
 3. A-Certification: In December 2023, the High Pressure Gas Safety Act was revised and the new Special Accredited Advanced Safety Inspector System was introduced. This system requires existing authorized High Pressure Gas Operators to implement more advanced safety measures, such as cyber security protocols and a stronger commitment from management, and certifies establishments that comply.
 4. RCoE (Reliability Center of Excellence): A centralized hub for maintenance operations

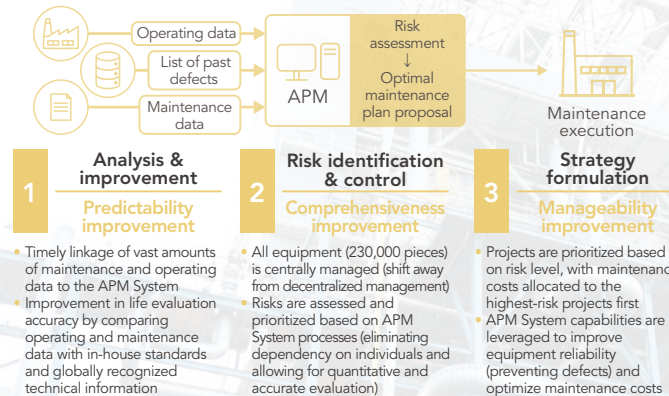
Strengthening Competitiveness of Our Oil Business and Pursuing Low Carbonization

Efforts in Digital Transformation (DX)

Asset Performance Management (APM) System

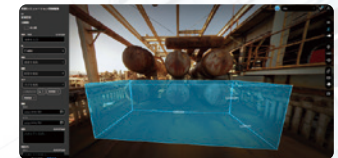
In FY2023, Cosmo Oil introduced an Asset Performance Management (APM) System. The system leverages globally recognized technical information to conduct risk assessments of facilities and ensure the integrated management and enhancement of our maintenance strategy, with the goal of raising facility management standards—in other words, improving equipment reliability. Through the introduction of this system, we are working to optimize maintenance costs, improve the productivity of maintenance operations, and reduce incidents leading to unplanned stoppages. We will also leverage big data to accelerate preventive maintenance efforts, achieving higher levels of predictability, comprehensiveness, and manageability.

Reduction of unplanned stoppages: APM System



Advancing the digitization of refineries

The Group has adopted a data integration platform designed exclusively for the manufacturing industry. In addition to strengthening competitiveness through the use of digital tools in our existing businesses and operations, we are working to improve operational efficiency and sophistication by leveraging generative AI and data analysis. In addition to introducing the platform at all three refineries, we consolidated 360° panoramic photos of each site, drawings, and other data in one place, enabling us to replicate our real-world refineries in virtual space (create digital twins). This allows us to keep an eye on what's happening in our refineries virtually, monitor facility conditions, and develop maintenance plans remotely.



Visualization tool (INTEGNANCE VR)

Ongoing efforts for safe operations and stable supply

Strengthening our Operations Management System (OMS)

Cosmo Oil introduced an Operations Management System (OMS) in 2016 to ensure safe operations and stable supply over and above global standards. We identified 25 requirements that we consider to be important in the course of conducting business activities. Comparing the current situation with these requirements allows us to recognize the gap between the status quo and our ideal state, thereby leading to continuous improvement. The introduction and strengthening of the OMS has laid the foundation for our business activity management system, enabling us to achieve safe operations and stable supply, improve operations, and avoid missing opportunities.



Establishing an advanced voluntary safety system

Cosmo Oil's Chiba Refinery was certified as a "Tokutei Nintei Jigyosha (commonly known as Super Nintei Jigyosha)" in April 2021, followed by the Yokkaichi Refinery in August 2022. In August 2024, the Sakai Refinery became Japan's first "Special Accredited Advanced Safety Inspector (commonly known as A-Certification)." These programs are special certifications granted by the Ministry of Economy, Trade and Industry (METI) to business sites that have achieved advanced voluntary safety management through initiatives such as the use of IoT and big data, advanced risk assessments, and third-party evaluations of safety capabilities. Obtaining these certifications allows all three of our refineries to set continuous operation periods and testing methods based on risk, enabling more targeted, efficient business operations and greater competitiveness.

■ Cosmo refinery certification status

Refinery	Certification identification	Certification acquisition	Certification period
Chiba	Super Nintei Jigyosha	April 2021	7 years
Yokkaichi	Super Nintei Jigyosha	August 2022	7 years
Sakai	A-Certification	August 2024	7 years

■ Benefits

Item	Normal certification	A-Certification/Super Nintei Jigyosha certification
Maximum continuous operating period	4 years	Max. 8 years (select within 8 years)
Certification renewal period	5 years	7 years
Completion and safety inspection method	Method prescribed by the Minister of Economy, Trade and Industry	Can be set by operators

Special Interview: Digital Transformation at Cosmo

Towards Vision 2030:

A new era of DX at Cosmo, powered by data and people

Dr. Noriko Rzonca

Senior Executive Officer, CDO
In charge of Corporate DX Strategy Dept.,
Corporate Communication Dept.,
and IT Initiative Dept.



Dr. John Markus Lervik

Founder
Cognite AS



Cosmo's DX amid a period of transformation

Dr. Rzonca | The environment surrounding the Cosmo Energy Group is rapidly changing. There are three social trends in our Vision 2030. First is the decreasing demand for petroleum. It is necessary to explore ways to continue operations amid declining demand and pursue next-generation energy businesses. Second is the declining birthrate and aging population, which means that there are fewer people working in the field and makes it necessary to use digital tools to increase efficiency. Third is the objective of carbon neutrality.

Dr. Lervik | There is a more balanced view in the world now on the need for energy security and ensuring access to affordable energy. We also see demographic challenges coming in as well, which leads to an increasing need for automation. These are some of the mega trends. Digital initiatives have now become a core, integrated part of both strategy and operations, and AI is further accelerating digital transformation.

Dr. Rzonca | The key to securing our profitability lies in high uptime and highly efficient operations at our refineries. To achieve this, we have introduced

Cognite Data Fusion® (CDF) as a data integration and contextualization platform for petroleum refining. By consolidating data previously held by each division, we are able to visualize and predict issues, thereby improving productivity, efficiency, and safety.

Dr. Lervik | It's exactly as you said. With the introduction of CDF, employees can achieve a more collaborative and efficient way of working. Furthermore, by integrating the entire refining value chain and modeling it in a virtual space (digital twin), it becomes possible to apply generative AI. This

Special Interview: Digital Transformation at Cosmo

allows all employees—not just data scientists—to access data and automate industrial workflows using so-called AI agents.

It is crucial to focus on business value in DX initiatives across industrial plants, rather than simply focusing on maximizing the number of use cases, without any coordination between factories.

Cosmo and Cognite are working to estimate and measure overall business targets and deploy cross-functional solutions and use cases as a systematic digital program. This will lead to significantly improved return on investment, and we see companies globally looking to Cosmo and adopting the same approach.



Impacts of Cosmo’s DX

Dr. Rzonca In 2022, we began a data integration platform construction project and started discussing data orchestration and contextualization. In the early stages, the progress made in organizing the vast amounts of data generated at refineries and their interrelationships through the use of AI was well received by refinery personnel, and the possibility of further application has grown.

We are now consolidating all operational data in CDF. As a result, employees have been able to reduce the time spent searching for files and data by 70-80%, allowing them to devote more time to advanced analysis and decision making. In addition, by consolidating photos of the refinery site in CDF, it is possible to construct a virtual reality (VR) environment, allowing operators to check site conditions and necessary data simultaneously from the control room or office.

Dr. Lervik I believe that aligning DX initiatives with strategy and business value is of utmost importance. In addition, it is important for subject matter experts who are familiar with industrial plants to take the lead and demonstrate strong leadership, as you have, in consolidating data from different departments and systems and building a solid, future-proof foundation.

Dr. Rzonca Exactly. Close collaboration among our IT, operations, and management teams is key to these achievements. Our DX initiatives to date have also boosted employee confidence and motivation. Employees are becoming more proactive now that problems are visible thanks to orchestrated, contextualized data.

Dr. Lervik It's amazing to see the energy within the Cosmo Energy team. Your company has developed a very strong culture of autonomous engagement in DX, and the speed of transformation and change goes way beyond individual use cases.

Dr. Rzonca By building a data integration platform, we have already generated savings of around ¥1.0 billion, mainly in IT development and maintenance costs. In the future, we expect to be able to shorten equipment shutdown periods due to problems at refineries, optimize repair parts inventory, and consolidate functions. Currently, we are focusing on the maintenance area, but expanding into the operations and construction areas and further extending to the entire supply chain could lead to further cost reductions.

Dr. Lervik Unifying data and using AI helps improve decision making for optimization across the industrial value chain. By combining data and AI with physical simulation, it is generally expected that costs can be reduced by approximately 10-15% in terms of maintenance and reliability. Furthermore, productivity can be improved, including increases in production yield.

As evidenced by this example, we must not underestimate the value of a strong corporate culture and key talent. These lead to more innovative ideas and attract skilled professionals. CEOs of large companies we work with have stated that, from a corporate sustainability perspective, a corporate culture that attracts talent is an important intangible asset.

Dr. Rzonca I always feel that corporate culture plays a crucial role. In fact, more talent has come to Cosmo since we began showcasing our digital initiatives.

Special Interview: Digital Transformation at Cosmo

As I mentioned earlier, our competitive advantage lies in our corporate culture, and it is our people who embody that culture and drive our projects to success.

Our company has defined five key elements (Cosmo's 5C) for human resources in promoting DX.

Frontline employees view current challenges as opportunities (Chance) and work together as project teams to tackle them (Challenge). They communicate (Communicate) closely with each other and with the IT department, and collaborate with top management to bring about change (Change) with dedication (Commit). Both top-down and bottom-up approaches are necessary, and these are key to successful DX. Furthermore, without collaboration with partners who bring deep insight, it is impossible to move forward with a sense of speed.

One example of this is RCoE. The project team took the lead in introducing RCoE at Cosmo Oil's Chiba Refinery in FY2024, drawing on use cases from other companies that have already introduced CDF. With the introduction of RCoE, maintenance functions have been consolidated, enabling us to strengthen preventive maintenance by comprehensively ascertaining data from other refineries while remaining at a single refinery.

Future development in the digital plant field

Dr. Rzonca As Japan faces a shrinking workforce and aging population, it is crucial to consider how to maintain and pass on accumulated knowledge and expertise.

To achieve this, in addition to further leveraging generative AI, it is also necessary to build digital plants in the next-generation energy field. In areas such as SAF and CCS, digitization will be implemented from the plant design stage and modeling will be performed in a virtual space, resulting in significant advantages over conventional methods in terms of communication.

Dr. Lervik From Cognite's perspective, there are two key areas for future development. One is to utilize industrial data and AI to aim for autonomous workflows and operations. The second is integrating a larger part of the industrial value chain. We integrate not only facilities and factories but also everything from projects to operations, supported by AI.

Cognite is a leader in the field of industrial AI, offering many innovative services. However, to achieve continued innovation and improvements, partnerships with leading companies around the world, including Cosmo, are essential.

Cosmo has established itself as a strategic leader driving change in the digital plant field.

Dr. Rzonca We aim to lead the world through digital transformation. In Cosmo's DX 1.0, we took on many issues to build a solid foundation. Under DX 2.0, we are going to aim for the top and hope to see huge business impact over the next three



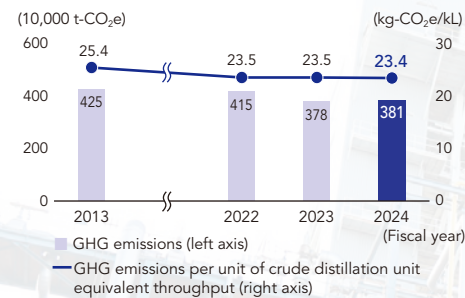
years. The important thing is that each employee feels passion and confidence when it comes to DX, which is key to overcoming the challenges our business faces. We are going to show the world what we should do and commit to driving DX.

Strengthening Competitiveness of Our Oil Business and Pursuing Low Carbonization: Energy Conservation at Refineries and Efforts in CCS/CCU

Energy conservation at refineries

In FY2024, greenhouse gas (GHG) emissions intensity improved by approximately 0.4% year-on-year due to an increase in secondary refining unit operating rates and the promotion of energy conservation activities, including the introduction of a heat exchanger fouling inhibitor. Additionally, higher refining unit operating rates contributed to a 0.8% year-on-year increase in GHG emissions. In FY2025, we will continue to focus on energy conservation through the use of high-efficiency equipment and the pursuit of energy-efficient operations.

GHG emissions at refineries and GHG emissions per unit of crude distillation unit equivalent throughput



Efforts in CCS/CCU

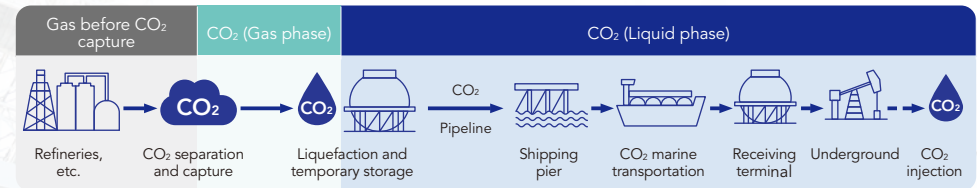
While fulfilling our responsibility to ensure a stable energy supply, the Company is looking into carbon dioxide capture and storage (CCS) and carbon dioxide capture and utilization (CCU) as key emissions reduction initiatives, with the goal of achieving a 30% reduction in emissions (Scopes 1 and 2, including avoided emissions) by 2030 and net zero carbon emissions by 2050.

Initiatives related to carbon dioxide capture and storage (CCS)

In October 2023, we initiated joint studies with The Kansai Electric Power Co., Inc., focusing on CO₂ emissions from business sites operated by both companies in the Sakai-Senboku area. These studies involve designing a CCS value chain that encompasses the separation and capture of emitted CO₂, its joint liquefaction and storage, and subsequent shipment to storage sites, as well as evaluating economic efficiency. In the same month, we began conducting joint studies with Mitsui O.S.K. Lines, Ltd. on marine transportation and other aspects of establishing a CCS value chain for CO₂ emitted from Cosmo Oil's refineries.

In 2024, we signed an agreement with the Japan Organization for Metals and Energy Security (JOGMEC) concerning CCS engineering design work in two areas: Southern Offshore of the Malay Peninsula CCS Project in western Japan and Northern Offshore of the Malay Peninsula CCS Project in the Tokyo Bay coastal area, after winning the bid for contracted research work for JOGMEC's Engineering Design Work for Advanced CCS Projects. The Company will undertake engineering design work across a value chain that encompasses the separation, capture, liquefaction, storage, and shipment of CO₂ emitted from each area.

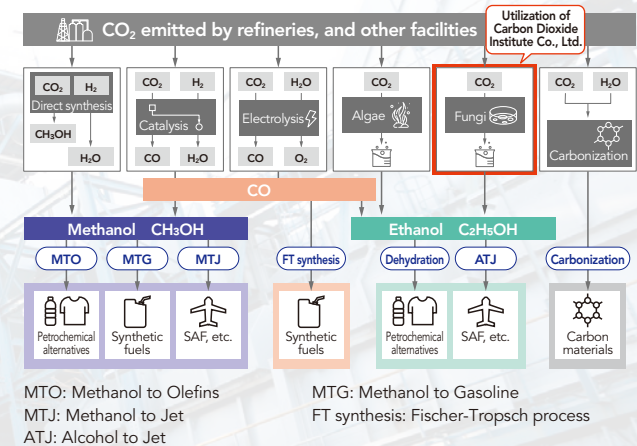
CCS business conceptual diagram



Initiatives related to carbon dioxide capture and utilization (CCU)

As an additional measure to reduce GHG emissions, we are exploring CCU technologies to ensure the effective utilization of CO₂. We anticipate producing carbon-neutral products, such as synthetic fuels and petrochemical feedstock alternatives, from CO₂ generated by refineries and other facilities. With this in mind, we are considering producing methanol and ethanol, which can be converted into these products, using chemical and biological conversion technologies. In March 2025, we initiated a joint study on biological conversion technology with Utilization of Carbon Dioxide Institute Co., Ltd.

Conceptual diagram of CO₂ utilization technologies and product development originating from refineries



MTO: Methanol to Olefins
 MTG: Methanol to Gasoline
 MTJ: Methanol to Jet
 FT synthesis: Fischer-Tropsch process
 ATJ: Alcohol to Jet

biological conversion technology with Utilization of Carbon Dioxide Institute Co., Ltd. This study involves developing and evaluating the commercial viability of a technology to produce ethanol from CO₂ and hydrogen using a bacteria. As this technology can directly utilize low-purity CO₂ and hydrogen, it is expected to reduce production costs compared with conventional CCU technologies.

In addition, a stable supply of low-carbon hydrogen* is essential for the realization of CCU. In March 2025, we began a joint study with Shizuoka University on the cost-effective production of green hydrogen through seawater electrolysis. In this joint study, we will examine ways to reduce the cost of carbon-neutral products derived from CO₂ emitted by the Group's refineries and other facilities, as well as evaluate CO₂ emissions reduction effects and investment profitability.

*Low-carbon hydrogen: A type of hydrogen produced with CO₂ emissions below a specified threshold

Strengthening Competitiveness of Our Oil Business and Pursuing Low Carbonization: Petrochemical Business

Restructuring the basic chemicals business: Dissolution and transfer of shares in our para-xylene joint venture

In November 2024, the Cosmo Energy Group dissolved its para-xylene joint venture and transferred all of its shares in HD Hyundai Cosmo Petrochemical Co., Ltd. (hereafter, "HCP") to HD Hyundai Oilbank Co., Ltd. (hereafter, "HDO").

In recent years, new construction and expansions of para-xylene production units in China—the world's largest para-xylene consumer—together with a slowdown in the Chinese economy, has led to a prolonged period of market stagnation. Given the resulting deterioration in the business environment for HCP and with almost no chance of improvement in the foreseeable future, we made the decision to exit the para-xylene business.

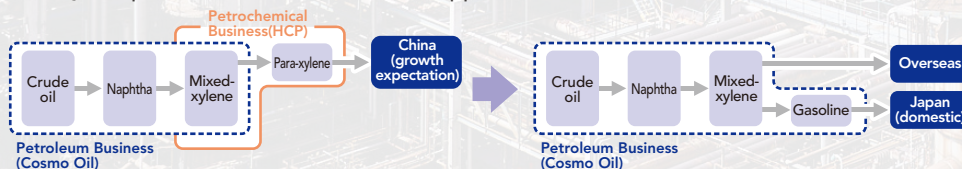
Para-xylene is a basic chemical product, produced using mixed-xylene derived during the petroleum refining process as its feedstock. The Group established HCP in 2009 as a joint venture with HDO, both to enter the para-xylene business and to secure sales channels for mixed-xylene in anticipation of future gasoline surpluses, and had been supplying mixed-xylene to HCP ever since.

Moving forward, we will continue to supply mixed-xylene as a petrochemical feedstock, while also leveraging our short position, one of our Group's strengths, in gasoline production. By ensuring flexible and optimal refinery operations that make agile use of mixed-xylene, we aim to further strengthen the Group's overall competitiveness and increase profits.

Environment surrounding our para-xylene joint venture

	Establishment of HCP (2009)	Dissolution of our para-xylene joint venture (2024)
Para-xylene business profitability	<ul style="list-style-type: none"> Future prospects of the para-xylene business 	<ul style="list-style-type: none"> Continued slump in the para-xylene market
Our gasoline supply-demand balance	<ul style="list-style-type: none"> Expect future gasoline surpluses 	<ul style="list-style-type: none"> Gasoline shortage (Short position established due to the closure of the Sakaiide Refinery in FY2013 and commencement of supply to Kygnus Sekiyu in FY2019)
Our strategy	<ul style="list-style-type: none"> Secure stable sales channels for mixed-xylene 	<ul style="list-style-type: none"> Pursuing greater competitiveness through optimal refinery operations that make agile use of mixed-xylene in line with market conditions

Para-xylene production flow and markets supplied



Restructuring the basic chemicals business: Optimization of ethylene production in the Chiba area

Group company Maruzen Petrochemical decided to optimize its ethylene production system by shutting down its in-house ethylene production units by FY2026 and consolidating production at Keiyo Ethylene, a joint venture with Sumitomo Chemical Co., Ltd.

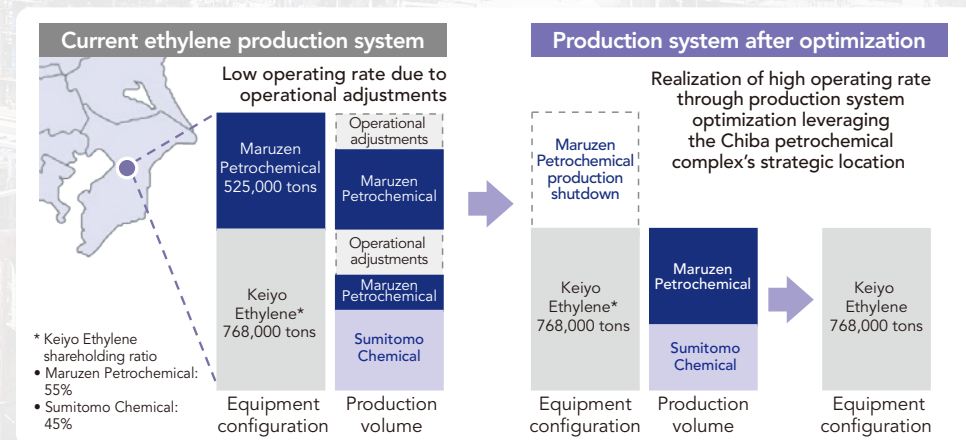
Japan's petrochemical industry continues to operate in a challenging environment due to a global oversupply of ethylene fueled by the construction and expansion of large-scale facilities in China and declining domestic ethylene demand. Although Maruzen Petrochemical has one of the largest ethylene production capacities in Japan at approximately 1.29 million tons per year, its operating rate has remained sluggish amid deteriorating market conditions.

In light of this harsh business environment, Maruzen Petrochemical announced in October 2024 that it had begun exploring ways to optimize ethylene production to further strengthen the competitiveness of the basic chemicals business. In April 2025, the company made a swift management decision to fundamentally restructure the business, including optimizing ethylene production.

Although a special loss of ¥16.9 billion was recorded in FY2024 in connection with this decision, improvements in fixed costs are expected to drive an improvement in profits beginning in FY2025.

Looking ahead, Maruzen Petrochemical will strive to maintain and enhance the competitiveness of the petrochemical complex it is part of by improving the operating rate of Keiyo Ethylene—the most advanced and largest ethylene production facility in Japan, lowering fixed costs, and reducing CO₂ emissions.

Consolidation of the ethylene production system



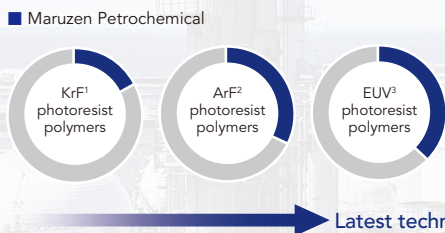
Strengthening Competitiveness of Our Oil Business and Pursuing Low Carbonization: Petrochemical Business

Expanding specialty chemicals business profit: Increasing production of semi-conductor photoresist polymers

Expanding the semiconductor photoresist polymer business

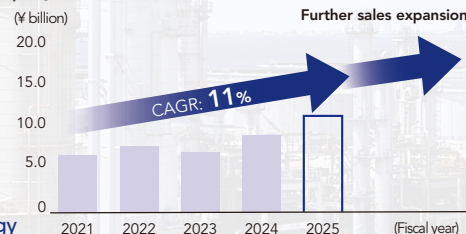
Driven by increasing demand for semiconductors, demand for semiconductor photoresist polymers—a specialty chemical—is projected to grow at an average rate of approximately 5% per year. As custom-made products tailored to the specific requirements of our customers, semiconductor photoresist polymers are unique resources characterized by their low degree of substitutability and are therefore used on a continual basis. Maruzen Petrochemical commands a strong global market share in this field, and over the past five years has expanded the specialty chemical business at a compound annual growth rate (CAGR) of approximately 11%, exceeding the market average. In addition to our existing product lineup, we continuously develop new grades to support faster and higher-capacity data communications.

Global market share by product (as estimated by the Company)



- 1. KrF (krypton fluoride): An excimer laser for use in exposure lens systems; wavelength 248 nm
- 2. ArF (argon fluoride): An excimer laser for use in exposure lens systems; wavelength 193 nm
- 3. EUV (extreme ultraviolet): A next-generation light source used as an exposure technology in semiconductor manufacturing

Trend in semiconductor photoresist polymer sales



Increasing production capacity

In an effort to meet the growing demand for semiconductor photoresist polymers, the Group is making ongoing investments to strengthen its production system and secure production capacity.

Regarding thick-film resist polymers* (KrF), for which demand is expected to grow particularly for NAND flash memory applications, we are currently making additional production expansion investments to broaden applications, with targeted completion by the end of FY2025. For ArF photoresist polymers, we will add a new production line at our commercial plant in FY2025 as we prepare for full-scale operations. This will increase supply capacity by approximately 50% and enable us to meet demand for higher-quality products.

In the cutting-edge field of EUV photoresist polymers, in addition to the commercial plant that commenced operations in 2022, we are currently considering commencing operations of a prototype facility for advanced applications in 2026. At the same time, we continue to invest in quality improvements for existing facilities as well, working to enhance product quality to meet customer needs.

*Thick-film photoresist polymer: A photoresist polymer with properties suitable for higher integration of flash memory, characterized by high concentration (high viscosity) and low metal content.

Securing and developing talent for capacity expansion

To expand the semiconductor photoresist polymer business, securing and developing talent is just as important as increasing production capacity. By FY2030, we plan to increase our headcount for this business to approximately 1.5 to 2 times FY2022 levels. In addition, we are implementing human resource development programs centered on ISO quality standard compliance*, covering areas such as production technology, testing and analysis, and research and development. Through these initiatives, we are committed to further ensuring a stable supply.



Exterior of EUV photoresist polymer production unit α3 (completed in 2022)

*ISO quality standard compliance: An international standard for quality management systems aimed at improving quality through the establishment of procedures from manufacturing to delivery and continuous improvement

A-Certification obtained by Maruzen Petrochemical's Chiba Plant

In February 2025, Maruzen Petrochemical's Chiba Plant was certified as a "Special Accredited Advanced Safety Inspector (commonly known as A-Certification)." This marks the Group's second facility to obtain the certification, following Cosmo Oil's Sakai Refinery, and the first time it has been awarded to a petrochemical facility in Japan. Going forward, we will continue to pursue efficient business activities grounded in stable operations and an advanced safety management system.



Special Interview: Oil Development Business in the UAE

Cosmo Energy Group's solid partnership with ADNOC and the UAE



Gota Sakai

President, Representative Director and CEO
Cosmo Energy Exploration & Production Co., Ltd.



Mr. Musabbeh Al Kaabi

CEO, Upstream
Abu Dhabi National Oil Company (ADNOC)
Former Outside Director
Cosmo Energy Holdings Co., Ltd. (2017-2020)

Longstanding relationship between Cosmo and the UAE

Sakai

As CEO of Cosmo Energy Exploration & Production Co., Ltd., I am extremely grateful to our partner, Abu Dhabi National Oil Company (ADNOC), which has been very supportive of our business. I have been with the Cosmo Energy Group for 32 years, and was involved in the upstream sector from 2015 to 2019, including two years at Abu Dhabi Oil Co., Ltd. (ADOC), where I contributed to the establishment of the Hail Oil Field.

Operating in the UAE, where we have highly competitive oil fields, represents a key strategic advantage for our business. In our Abu Dhabi operations, a major strength I see is that two of

our group companies, ADOC and United Petroleum Development Co., Ltd. (UPD), operate oil fields as designated operators. We have been engaged in safe and stable operations for many years through a close relationship with Abu Dhabi National Oil Company (ADNOC). As president, I would like to follow in the footsteps of my predecessors and make use of both our human resources and physical assets so that we can further grow our Oil Exploration & Production Business in the UAE.

Mr. Al Kaabi

Thank you. Let me start by highlighting the excellent relationship between the Cosmo Energy Group and ADNOC through the years, as well as the strong government-to-government

relationship between Japan and the UAE. We are looking forward to expanding our collaboration and identifying more opportunities to work together.

Historically, Japanese energy companies have been trusted partners to Abu Dhabi's oil and gas industry, and our energy industry in general, since the late 1960s and early 70s. Back then, Abu Dhabi opened up oil concession bidding to Japan. Maruzen Oil and Daikyo Oil (both companies are currently Cosmo Energy Holdings), as well as Nippon Mining Co., Ltd. (currently ENEOS Holdings Co., Ltd.) jointly bid and were awarded oil concessions. In 1967, a concession agreement on the exploration and development of the Mubarraz Oil Field in Abu Dhabi was signed. For over half a century, you have consistently operated in the field with stability and reliability. Also, you acquired additional oil fields in Abu Dhabi, including the Al Bunduq and Hail oil fields. We are very proud of our shared legacy of building excellent energy projects in the region, and we look forward to continuing these efforts going forward.

Sakai

I share the same feeling. In addition to ADOC and UPD being active in the UAE, we also operate Offshore Block 4, which is currently in the exploration stage. The block benefits from lower operating unit costs as it is located in the shallow waters of the Arabian Gulf. In addition, the block lies adjacent to the Mubarraz Oil Field. While our operations in the area have centered around oil exploration to date, in the context of the transition toward decarbonization, LNG has received renewed attention as a fossil fuel. In light of this, we would like to explore the possibility of

Special Interview: Oil Development Business in the UAE

entering this field while remaining mindful of existing projects. Of course, we need to remain aware of existing projects, but with ADOC and UPD, we still see an upside in this business. Therefore, we would like to advance these projects going forward.

Mr. Al Kaabi As you highlighted, we have a longstanding partnership with the Cosmo Energy Group. We are working constructively to maximize the value we provide and are focusing primarily on efficiency, low-cost production, and capability development. Looking at UPD and the Mubarraz Oil Field, I am really impressed with the capability that Japanese companies bring, especially in relation to the Hail Oil Field. They develop and implement new oil schemes that ensure maximum recovery for both ADNOC and Cosmo.

In the past, sour gas¹ injection was utilized to enhance oil recovery, which involved complicated processes and development schemes. In 2001,

ADOC became the first company in the Middle East to achieve zero flaring² by recovering sour gas generated in tandem with oil production and injecting it back into underground oil reservoirs. This technology promotes both environmental conservation and improved oil recovery rates. As a national oil company, we are glad to see a strong operator like you operating so excellently in this challenging environment. We are blessed with the capability you brought in, and we are keen to see more such capabilities being deployed in Abu Dhabi to ensure maximum recovery, high profitability, and best-in-class operational efficiency. I have no doubt that with your commitment and technical strength, you will continue to add value to the partnership between Abu Dhabi and the Cosmo Energy Group.

1. Sour gas: Gas containing toxic hydrogen sulfide and carbon dioxide generated during oil production. Any gas that cannot be reinjected into underground oil reservoirs is subject to flaring.
2. Zero-flaring: The practice of reinjecting nearly all the gas generated during oil production in order to minimize the gas flares that occur during flaring



diversification and positioning the company strongly in the new energy landscape. There was a strong focus on sustainability, innovation, and diversification, as well as rebalancing the portfolio. I think your group has done a great job in executing that strategy. However, I understand now that there have been some enhancements to that strategy. While your group maintains its focus on sustainability, new energies, and business diversification, you are also prioritizing efficiency and maximizing upstream value. Comparing the Cosmo of six years ago to now, I think the company is on the right trajectory, and I strongly encourage you to continue pursuing your diversification, innovation, and sustainability agenda.

At the same time, I also think there is significant value that has yet to be fully realized in your integrated downstream position in Japan. As with

Outside perspective on Cosmo’s future path

Sakai I recall that you formerly served as an outside director at Cosmo Energy Holdings. Looking back and comparing that time to the current state of our group, what are some of the changes that you feel we have gone through?

Mr. Al Kaabi Yes, I served as a board member, and I have a great attachment to the Cosmo Energy Group. At that time, it was very clear that the leadership and the company was focusing primarily on business



Special Interview: Oil Development Business in the UAE

the upstream, I trust that downstream businesses are receiving comparable strategic attention. That is also going to be an important part of your strategy to ensure that your company remains resilient, profitable, and strong going forward.

Your group's Vision 2030 has three pillars: bolster the green electricity supply chain; expand next-generation energy; strengthen competitiveness of the Oil Business and pursue low carbonization. These pillars are very strong and should position the company well for the next chapter of its growth. I think you have the right technologies and growth aspirations, and I have full confidence in you to deliver value for shareholders from these three key pillars.

Sakai

Thank you. As you mentioned, I think one of our major strengths lies in the fact that we have a vertical business structure that encompasses everything from crude oil development to marketing. In recent years, the Japanese market has stabilized, allowing us to secure healthy margins. This has in turn led to improvements in our financial position. In terms of our electric power business, we are focused on expanding our efforts in renewable energy, including wind power generation. We are committed to growing our presence in next-generation energy and renewables so that we are prepared for whatever forms of energy may emerge in the future.



Strengthening our partnership and future hopes for the Cosmo Energy Group

Sakai

The fact that we have been able to operate in the UAE for so many years lies in the strong trust in our technical capabilities and the solid partnerships we have built. I would like to further strengthen our relationship with the UAE and deepen our mutual understanding—not only on the business front, but on a cultural level as well.

Mr. Al Kaabi

I feel the same. I would like to thank you for your commitment to the UAE, and look forward to exploring ways to further collaborate going forward. I absolutely have no doubt that with your commitment and technical strength, you will continue to bring in more value to this partnership between ADNOC and the Cosmo Energy Group.

Strengthening Competitiveness of Our Oil Business and Pursuing Low Carbonization: Oil Exploration and Production Business

History of development in the UAE

Group company Abu Dhabi Oil (ADOC) has been engaged in oil exploration and production activities in the Emirate of Abu Dhabi for more than 50 years, since 1967, prior to the formation of the United Arab Emirates (UAE). Through a long-standing close cooperative relationship with Abu Dhabi National Oil Company (ADNOC), ADOC has advanced safe and stable crude oil development through self-operation (operatorship), earning widespread recognition from ADNOC as well. Going forward, we will work to ensure that we remain a friendly and trusted partner to the Emirate of Abu Dhabi.

History of oil development by the Group in the UAE

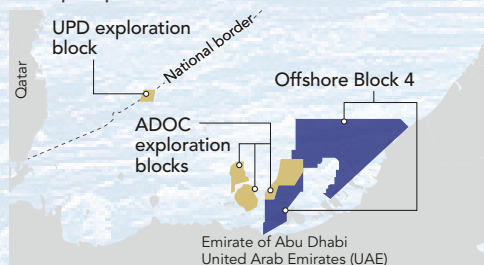
~ 1979

1980 ~ 2000

2001 ~

- 1967** Mubarraz Oil Field concession acquired
 - 1968** Abu Dhabi Oil established
 - 1970** El-Bunduq Oil Field concession agreement concluded
United Petroleum Development established
 - 1971** United Arab Emirates formed
 - 1973** Commenced production at the Mubarraz Oil Field
 - 1975** Commenced production at the El-Bunduq Oil Field
 - 1979** Umm Al Anbar Oil Field concession acquired
 - 1988** Production volume of 100 mil. barrels achieved
Neewat Al Ghalan Oil Field concession acquired
 - 1989** Commenced production at the Umm Al Anbar Oil Field
 - 1993** Production volume of 100 mil. barrels achieved
 - 1995** Commenced production at the Neewat Al Ghalan Oil Field
 - 2001** Commenced zero-flaring operations
 - 2005** Production volume of 200 mil. barrels achieved
 - 2006** Production volume of 200 mil. barrels achieved
Commenced zero-flaring operations
 - 2012** New concession agreement for the existing three oil fields came into effect, and Hail Exploration Block acquired
 - 2017** Commenced production at the Hail Oil Field
 - 2018** 50th anniversary of the establishment of Abu Dhabi Oil
New El-Bunduq Oil Field concession agreement concluded and came into effect
 - 2018** New El-Bunduq Oil Field concession agreement concluded and came into effect
 - 2021** Offshore Block 4 exploration block acquired
- ADOC ● UPD
● Cosmo Energy Exploration & Production

Group exploration blocks



Mubarraz Dalma Exploration Block concession signed

Increasing production at the Hail Oil Field

At the end of December 2024, we started full-fledged ramp up of production at the Hail Oil Field. The field is one of the exploration blocks in which Group company ADOC holds an interest. After acquiring the block in 2012, we commenced production in November 2017.

By January 2018, the field had reached full production capacity, with operations continuing smoothly thereafter. However, from FY2019, we observed a more rapid decline in reservoir (subsurface reservoir rock where crude oil accumulates) pressure than initially expected, prompting us to reduce production. To address this, from FY2021 we implemented a water injection project which involved injecting water into the reservoir to restore pressure.

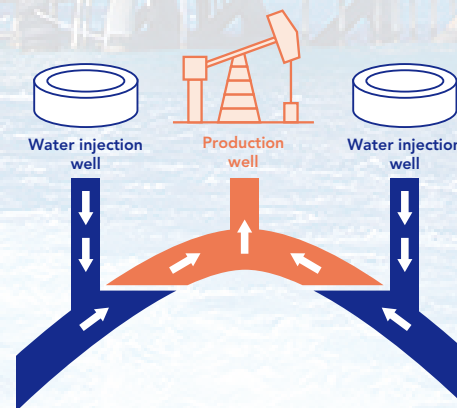
After starting this effort in July 2023, reservoir pressure was successfully restored, and from the end of December 2024, we resumed production at pre-curtailment levels. Production has continued smoothly since then, with the Hail Oil Field expected to contribute to full-year earnings in FY2025.

Looking ahead, we will continue to maximize production volume and improve crude recovery rates by strengthening our production facilities and exploring the development potential of our concession areas.

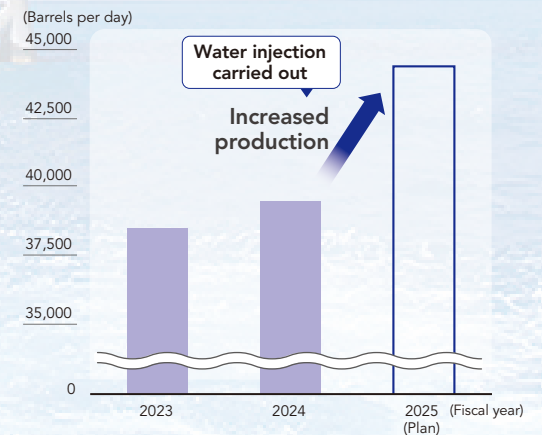


Hail Oil Field site terminal (Artificial island)

Water injection (conceptual diagram)



Trend in production volume



*Total production volume for two companies (ADOC, UPD)

Commence SAF Production

Pioneering the mass production of domestic SAF in Japan

Starting in FY2025, the Cosmo Energy Group commenced large-scale production of Japan's first Sustainable Aviation Fuel (SAF) at Cosmo Oil's Sakai Refinery.

At the 2016 session of the ICAO¹ Assembly, the aviation industry set the goal of carbon-neutral growth from 2020, whereby CO₂ emissions from international aviation would not exceed 2019 levels. In 2022, the Assembly further adopted the long-term aspirational goal of achieving net zero carbon emissions by 2050. The use of SAF is regarded as the most promising pathway to achieving these goals. In Japan, the oil industry is expected to supply sufficient SAF to achieve a 5% reduction in greenhouse gas (GHG) emissions by 2030. Since meeting this target requires replacing approximately 10% of aviation fuel with SAF, the public and private sectors are currently working together to promote its widespread adoption.

In 2021, the Group, together with JGC HOLDINGS CORPORATION and REVO International Inc., submitted a joint proposal for an open call project to the New Energy and Industrial Technology Development Organization (NEDO) titled "Establishment of a Supply Chain Model for Bio-jet Fuel Production from Domestic Used Cooking Oil," which was subsequently adopted. Building on this milestone, the Group became an industry pioneer in advancing domestic SAF supply, and in April 2025 began supplying Japan's first mass-produced domestic SAF. By bringing together the expertise and assets cultivated over many years across our respective businesses, we successfully established an end-to-end supply chain covering everything from feedstock procurement to SAF production and its supply to airlines. Looking ahead, we will accelerate efforts to establish a domestic SAF supply chain while diversifying feedstocks and production processes, including exploring bio-ethanol-derived SAF production using Alcohol-to-Jet (ATJ) technology².



SAF production unit (on the premises of Cosmo Oil's Sakai Refinery)

1. ICAO: International Civil Aviation Organization
 2. Alcohol-to-Jet (ATJ) technology: A technique to convert alcohol (ethanol) into SAF through a series of catalytic reactions

History of the SAF business

Blue text: Group initiatives Green text: External environment

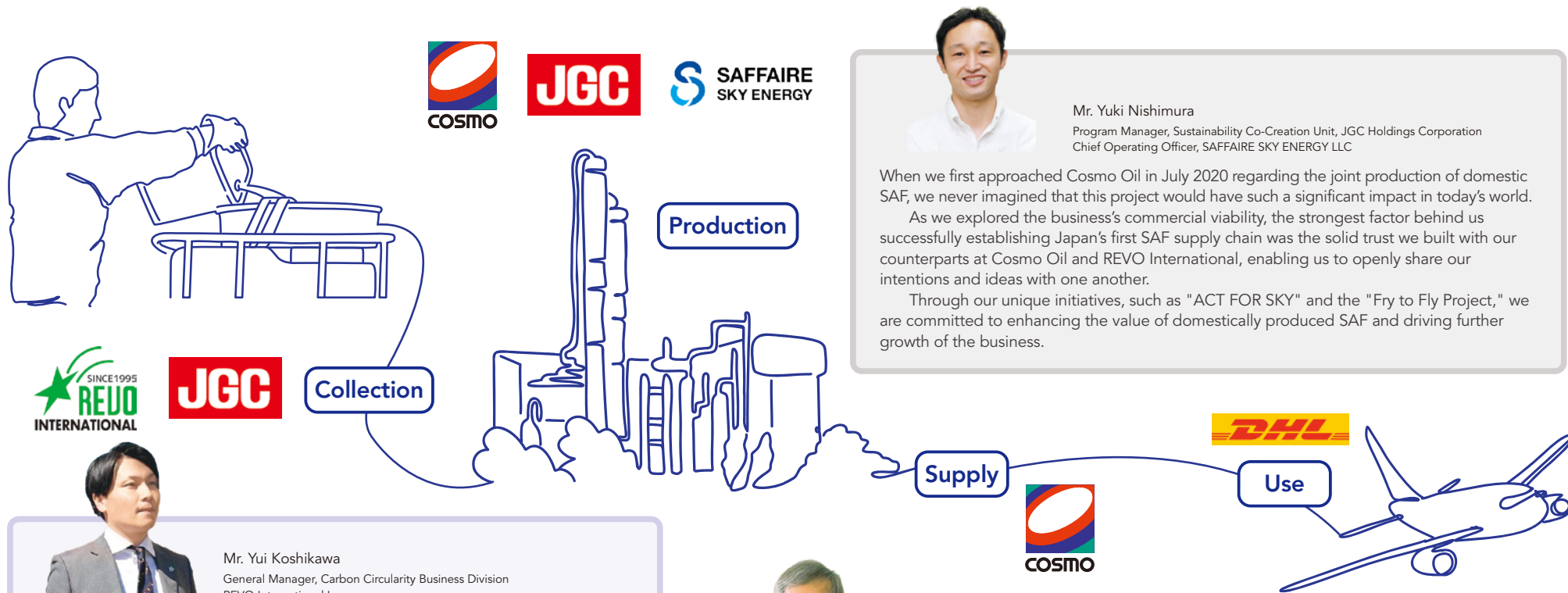
- September 2016** → The 39th ICAO Assembly adopted the goal of carbon-neutral growth from 2020, whereby CO₂ emissions from international aviation would not exceed 2019 levels
- July 2021** → **Joint proposal titled "Establishment of a Supply Chain Model for Bio-jet Fuel Production from Domestic Used Cooking Oil" adopted as a NEDO project ahead of industry peers**
- April 2022** → Public-Private Council for Promoting the Introduction of SAF established
- July 2022** → Joint studies on domestic SAF production using Alcohol-to-Jet (ATJ) technology initiated with Mitsui & Co., Ltd.
- September 2022** → The 41st ICAO Assembly adopted the long-term aspirational goal of achieving net zero carbon emissions by 2050
- November 2022** → **SAFFAIRE SKY ENERGY LLC established as a joint venture with JGC HOLDINGS CORPORATION and REVO International Inc. toward the large-scale production of domestic SAF from used cooking oil**
- May 2023** → Groundbreaking ceremony held for Japan's first large-scale production demonstration facility for used cooking oil-derived domestic SAF
- December 2024** →
 - International Sustainability and Carbon Certification (ISCC) CORSIA¹ and ISCC EU² certifications obtained
 - SAF production unit completed
- January 2025 onwards** → **SAF purchase agreements signed with multiple airlines**
- February 2025** → Project for SAF production using Alcohol-to-Jet technology selected in Ministry of Economy, Trade and Industry open call project
- April 2025** →
 - **Supply of Japan's first mass-produced domestic SAF commenced at the Sakai Refinery**
 - **Full-scale implementation of an initiative to collect used household cooking oil as SAF feedstock began at service stations**
- May 2025** → Selected as first company to receive a subsidy in the Tokyo Metropolitan Government-led "Domestic SAF Utilization Promotion Project"

1. ISCC CORSIA certification: Issued by the ISCC based on the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA). To claim GHG reduction effects through the use of SAF, certification under a sustainability certification scheme (SCS) recognized by the International Civil Aviation Organization (ICAO) for the certification of CORSIA Eligible Fuels (CEF) is required.
 2. ISCC EU certification: Issued by the ISCC to demonstrate compliance with the sustainability criteria set out in the European Union (EU)'s Renewable Energy Directive II (RED II)

Commence SAF Production

Establishing a Domestic SAF Supply Chain

The Cosmo Energy Group, together with JGC HOLDINGS CORPORATION and REVO International Inc., has taken a pioneering role within the oil industry in establishing a domestic SAF supply chain leveraging the respective strengths of each company. By becoming the first in Japan to start mass producing domestic SAF in April 2025 and having our customers use it, we are also contributing to reducing CO₂ emissions. Going forward, we will continue to promote the use of SAF in air transportation and contribute to the creation of a sustainable, resource-recycling society.



Mr. Yuki Nishimura
Program Manager, Sustainability Co-Creation Unit, JGC Holdings Corporation
Chief Operating Officer, SAFFAIRE SKY ENERGY LLC

When we first approached Cosmo Oil in July 2020 regarding the joint production of domestic SAF, we never imagined that this project would have such a significant impact in today's world.

As we explored the business's commercial viability, the strongest factor behind us successfully establishing Japan's first SAF supply chain was the solid trust we built with our counterparts at Cosmo Oil and REVO International, enabling us to openly share our intentions and ideas with one another.

Through our unique initiatives, such as "ACT FOR SKY" and the "Fry to Fly Project," we are committed to enhancing the value of domestically produced SAF and driving further growth of the business.



Mr. Yui Koshikawa
General Manager, Carbon Circularity Business Division
REVO International Inc.

Amid growing global demand for SAF, I believe we were able to achieve the country's first commercial-scale SAF supply by leveraging the strengths of our three companies. This enabled us to build momentum for the stable procurement of used cooking oil as feedstock, with the aim of ensuring a stable supply of Japan's first domestically produced SAF.

Since our founding, REVO International has independently established a used cooking oil procurement network to support the domestic adoption and expansion of biofuel production technologies.

At present, we source this feedstock from around 38,000 establishments nationwide, including restaurants, commercial facilities, and food factories. Going forward, as maximizing area-based collection efficiency becomes increasingly important to reduce costs and ensure efficient, stable procurement, we will leverage cutting-edge digital technologies to streamline procurement from these sources, thereby reducing costs and increasing procurement volume.



Mr. Hiroshi Kojima
Director, Commercial Planning & Research Commercial
DHL Japan, Inc.

DHL has been an industry pioneer in offering its global GoGreen Plus service, which returns the environmental value of SAF to shippers. Through Cosmo Oil Marketing, we were able to receive Japan's first domestically produced SAF at Chubu Centrair International Airport, representing a significant milestone for our operations in the Japanese market.

This achievement has allowed DHL Japan to join a public-private initiative aimed at raising awareness of domestic SAF and to showcase our efforts utilizing it, as well as our collaboration with Cosmo Oil Marketing, to the market.

This is precisely the type of impact that comes from being a first mover, and it reflects the foresight and decisiveness of the Cosmo Energy Group within Japan's oil industry. Looking ahead, I believe that the Group, through its SAF production and sales operations, along with the rollout of SAF-based services for shippers, will further strengthen our partnership and enable us to reduce environmental impact.

Next-Generation Energy Initiatives and CCS/CCU*

*For further information on initiatives related to CCS/CCU, please refer to [Page 25](#).

In 2022, the Cosmo Energy Group signed a basic agreement with Iwatani Corporation to explore potential collaboration in the hydrogen business, and in April 2024, we entered into a capital and business alliance agreement.

Aiming to achieve net zero carbon emissions by 2050, both parties are committed to generating new synergies to enhance enterprise value by pooling our respective resources and expertise and further strengthening collaboration.

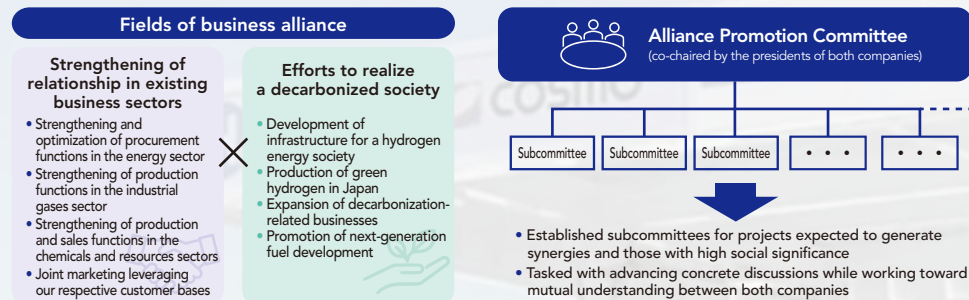
Partnering with Iwatani Corporation

After signing a basic agreement to explore potential collaboration in the hydrogen business in 2022, we strengthened our partnership with Iwatani Corporation by establishing a limited liability company aimed at hydrogen station business collaboration in February 2023, followed by another such company in November of the same year focused on collaborative engineering services for hydrogen-related projects, and other initiatives.

In April 2024, when we entered into the capital and business alliance agreement, we simultaneously launched the Alliance Promotion Committee, co-chaired by the presidents of both companies. To realize a decarbonized society and strengthen collaboration in existing business domains, we have also established subcommittees for projects expected to generate synergies as well as those with high social significance.

At present, business divisions of both companies are advancing discussions through these subcommittees, with the aim of further materializing projects and generating synergies as soon as possible.

Overview of the capital and business alliance



Hydrogen station business

Since establishing Iwatani Cosmo Hydrogen Station LLC in February 2023 as a joint venture between Cosmo Oil Marketing and Iwatani Corporation, we opened our first hydrogen station in Heiwajima (Ota City, Tokyo) in April 2024, followed by a second station in Ariake (Koto City, Tokyo) in March 2025.

We are currently preparing to open our third hydrogen station in Shinsuna (Koto City, Tokyo), having been certified to operate on Tokyo Metropolitan Government-owned land, before the end of FY2026. Going forward, the Group remains committed to working with Iwatani Corporation, local governments, and other parties to further expand the hydrogen supply network.



Iwatani Cosmo Hydrogen Station Heiwajima



Iwatani Cosmo Hydrogen Station Ariake Bus Depot



Artist's impression of Iwatani Cosmo Hydrogen Station Shinsuna (tentative name)

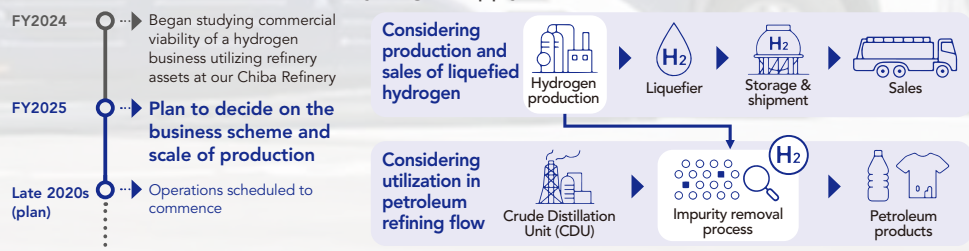
Establishing a hydrogen supply chain

As a new initiative put forward by the Alliance Promotion Committee and its subcommittees, we have begun exploring the possibility of establishing a hydrogen supply chain that leverages refinery assets.

Specifically, we are considering the installation of new hydrogen production and liquefied hydrogen production units to manufacture and sell hydrogen in response to growing demand. At Cosmo Oil's Chiba Refinery, hydrogen used in the petroleum refining process is currently procured externally; however, we will also explore the possibility of further optimizing refinery operations by installing hydrogen production units on-site.

We aim to make a decision on the business scheme and scale of production before the end of FY2025.

Overview of efforts to establish a hydrogen supply chain



Increasing Green Electricity Supply Chain Profit

In response to the global shift toward decarbonization, demand for renewable energy is expected to grow over the medium- to long-term. Since acquiring all shares of Eco Power Co., Ltd. in 2010, the Cosmo Energy Group has strived to expand its Renewable Energy Business, centered on wind power generation. To realize our medium- to long-term vision, Vision 2030, we are committed to maximizing the value of green electricity by integrating the entire supply chain—from power generation to supply-demand adjustment, power storage, and sales.

Renewable energy generation

With Cosmo Eco Power, which boasts approximately 30 years of operational excellence, at the core, our strength lies in an integrated framework that covers all stages from development through operations and maintenance (O&M). Backed by the Group’s support in areas such as human resources, corporate functions, finance, and creditworthiness, we have steadily expanded the business.

In onshore wind power generation, the Shin-Iwaya Wind Park commenced operations in March 2025 following the completion of a replacement project. We are making steady progress toward achieving 900MW in installed capacity by FY2030, including commencing operations at the New-Mutsu-Ogawara Wind Farm, another replacement project, in July 2025.

In offshore wind power generation, considering factors such as rising costs driven by recent rapid inflation and an intensifying competitive environment, we decided to forgo submitting a bid for an open call project as originally planned, from the standpoint of economic rationality. As we work to realize Vision 2030, we will review and rebuild our business strategy based on the progress made during the period of the Seventh MTMP.

Onshore	Status		Facility capacity
	In operation	Prior to FY2024	Approx. 310MW ¹
Commenced operations in FY2025	New-Mutsu-Ogawara (Aomori)	Approx. 33MW	
Under construction or development	Scheduled to commence operations by FY2030	Approx. 531MW	
Under development	Other	Approx. 26MW	
Total onshore sites			Approx. 900MW

Offshore	Status	Project	Facility capacity	Subject to the Act on Renewable Energy Sea Area Utilization
	In-operation	Akita Port & Noshiro Port	Approx. 140MW ¹	Harbor area ³
Under development	Offshore near Hiyama, Hokkaido (Offshore near Hiyama, Hokkaido)	Up to 1,000MW ^{1, 2}	Promotion area	
Under development	Offshore in Ishikari Bay, Hokkaido (Offshore near Ishikari City, Hokkaido)	Up to 1,000MW ^{1, 2}	High-potential area	
Under development	Offshore near Shimamaki, Hokkaido (Offshore near Shimamaki, Hokkaido)	Up to 1,000MW ^{1, 2}	High-potential area	

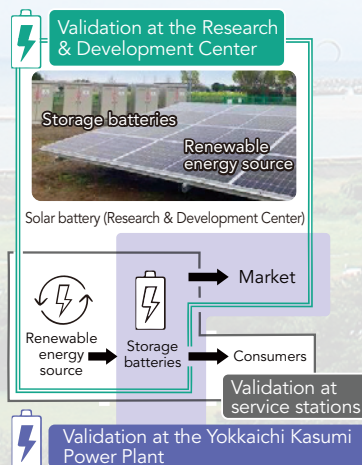
1. Installed capacity for all projects/the whole project
2. Maximum capacity stated in the environmental impact assessment report
3. Not subject to the Act on Promoting the Utilization of Sea Areas for the Development of Marine Renewable Energy Power Generation Facilities (Act on Renewable Energy Sea Area Utilization) due to being a harbor area

Supply-demand adjustment and storage

While renewable energy supply continues to grow across Japan, the mismatch between supply and demand has increasingly led to situations where the full output potential of renewable sources cannot be utilized. Addressing this challenge requires capabilities for adjusting power supply and demand and storing generated green electricity. These functions are becoming ever more important, particularly in promoting the responsible use of energy.

In FY2024, the Cosmo Energy Group began validation of its power storage business at the Research & Development Center and two company-operated service stations. In July 2025, validation also began at the Yokkaichi Kasumi Power Plant. In addition to acquiring know-how in storage battery operations and participating in future new electricity market transactions, we will continue to build expertise while leveraging external knowledge, with the aim of applying these insights to green electricity sales and other related initiatives.

Power storage business validation

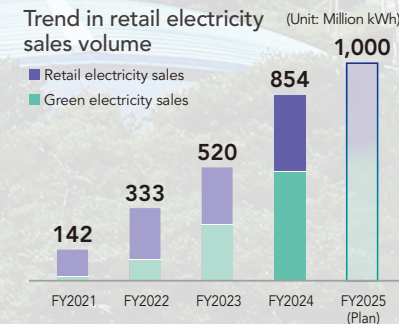


Green electricity sales

To meet the growing demand for renewable energy, the Group is expanding sales of Cosmo Denki (Electricity) Business Green. In FY2024, we began supplying renewable energy-derived electricity to public facilities in Sakai City (Osaka Prefecture), Adachi City (Tokyo), and Fujisawa City (Kanagawa Prefecture), bringing the total number of facilities adopting the plan to over 3,500. Since sales began in 2020, the number of customers has continued to increase steadily. As a result, green electricity accounted for more than half of the 854 million kilowatt-hours (kWh) of electricity sold in FY2024. Looking ahead, we are committed to achieving our FY2025 target sales volume of 1.0 billion kWh and further expanding the supply of green electricity.

In addition, the Group is utilizing corporate Power Purchase Agreements (corporate PPAs*) to secure long-term, stable supply contracts while working to maximize the value of green electricity. In FY2024, we concluded PPAs with the Panasonic Group, Amazon, Tokyo Metro Co., Ltd., West Japan Railway Company, and other parties, as we work to further expand the business going forward.

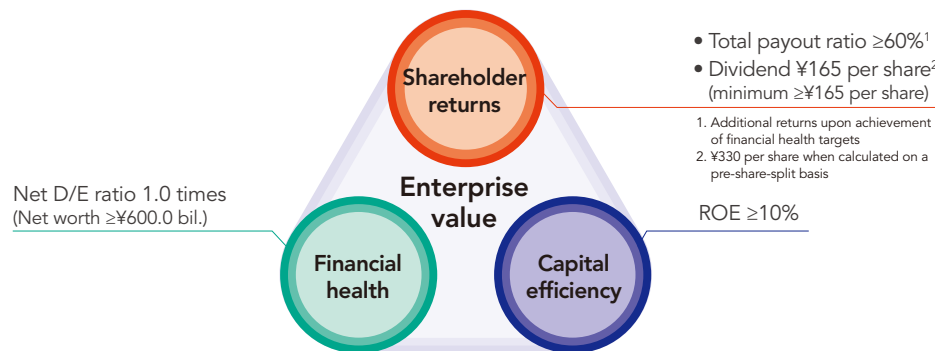
*Corporate PPA: A long-term purchase agreement between a power producer and a consumer for renewable energy-derived electricity and its environmental value, or for environmental value alone



Realizing Our Three-Pronged Capital Policy

Capital policy

At the Cosmo Energy Group, we aim to maximize enterprise value through a three-pronged approach that places equal emphasis on shareholder returns, financial health, and capital efficiency.



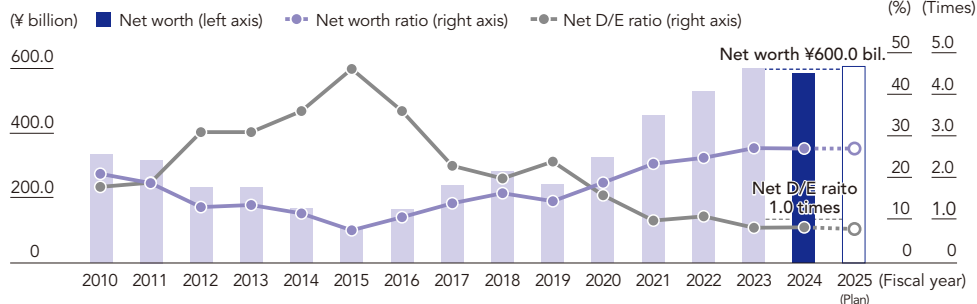
Financial health

Under the Seventh MTMP, our financial health targets included a net debt-to-equity ratio (net D/E ratio) of 1.0 times and net worth of ¥600.0 billion or more, assuming we maintain a balance between debt and equity comparable to current levels.

In setting our necessary net worth, we analyzed the performance of approximately 130 companies in Japan and overseas—30 to 40 firms per segment—and used this objective data as the basis for our calculation.

As of the end of FY2024 (March 31, 2025), we had achieved our target net D/E ratio, even as our net worth declined due to business structure improvements and the impact of inventory valuation. In FY2025, we will continue to improve our financial health in an effort to achieve our Seventh MTMP targets.

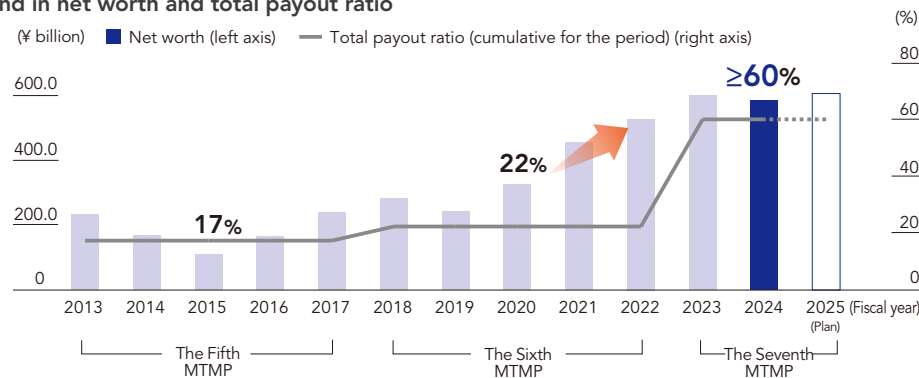
Trend in financial health



Shareholder returns

We regard the appropriate return of profits to shareholders as a key management priority. In FY2024, as in FY2023, we revised our dividend forecast upward during the year and increased the minimum dividend for the duration of the Seventh MTMP. In FY2025, we will continue working toward achieving our target cumulative payout ratio of 60% or more over the three-year period of the plan.

Trend in net worth and total payout ratio

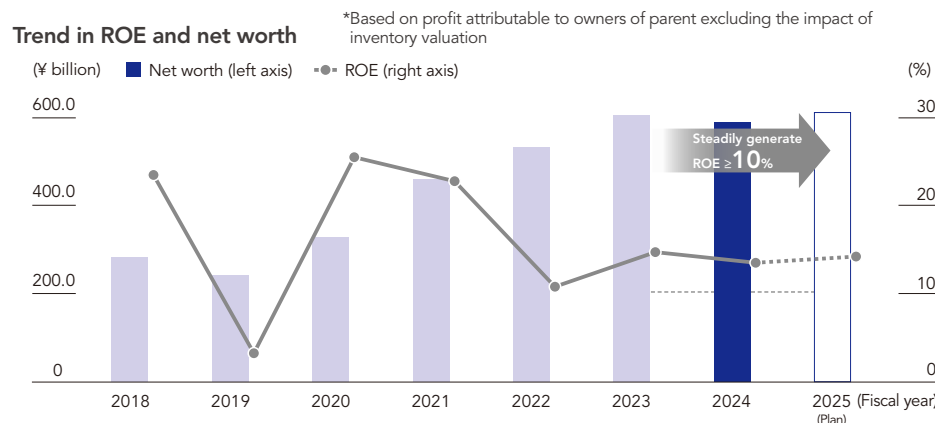


Capital efficiency

For the Seventh MTMP period, although we project that our net worth, which increased significantly under the Sixth MTMP, will improve even further, we aim to steadily generate ROE of 10% or more.

In FY2024, following on from FY2023, profitability was driven by the Petroleum Business—whose strength lies in its short-position strategy—and the Oil Exploration and Production Business, with its long-standing stable operations in highly profitable exploration blocks in the Emirate of Abu Dhabi. As a result, we achieved ROE of over 10% for the second consecutive year. In FY2025, we remain committed to steadily generating ROE of 10% or more, our target under the Seventh MTMP.

Trend in ROE and net worth



Special Interview: Our Three-Pronged Capital Policy

Building on our achievements
under the Seventh MTMP, we are
now entering a new stage with our
three-pronged capital policy

Taisuke Matsuoka

Representative Director,
Senior Executive Officer
In charge of Corporate
Planning Dept. and Finance Dept.

Mr. Norimasa Shinya

Senior Analyst
Equity Research Dept.
Mizuho Securities Co., Ltd.



approximately 10 percentage points higher than that of your industry peers. On the financial health front, your company has not only demonstrated ongoing improvement but has also set a target net worth of ¥600.0 billion, reflecting what you have determined to be an appropriate level in consideration of capital efficiency. I regard your announcement that anything beyond this target will, in principle, be returned to shareholders as a symbolic move unprecedented in the energy industry.

Achievements and challenges during the first two years of the Seventh MTMP and points of interest for investors

Vision behind our capital policy under the Seventh MTMP and its reception by capital markets

Matsuoka The Cosmo Energy Group had faced ongoing challenges in terms of our financial health, stemming from the impact of the accident caused by the 2011 Great East Japan Earthquake and significant inventory valuation losses due to falling crude oil prices, among other factors. Under the Sixth Consolidated Medium-Term Management Plan (hereafter, "the Sixth MTMP"), we worked to strengthen profitability and our financial position, achieving moderate success in our efforts. Building on this, the Seventh Consolidated Medium-Term Management Plan (hereafter, "the Seventh MTMP") focuses on the enhancement of enterprise value based on three pillars: profitability, capital policy, and expected growth.

Mr. Shinya Having covered your company for many years as a sell-side analyst, I feel that you solidified your foundation through your efforts up to the Sixth MTMP and, on that solid footing, have taken a significant step forward with the Seventh MTMP.

Matsuoka Our capital policy, announced as part of the Seventh MTMP, adopts a three-pronged approach that places equal emphasis on shareholder returns, financial health, and capital efficiency. By executing this policy, we seek to sustainably enhance enterprise value.

Mr. Shinya Regarding your capital policy, I believe that, in addition to your ambitious shareholder returns target, the incorporation of capital efficiency—highly valued by investors—as one of your financial health objectives has contributed to positive market evaluations. Specifically, your target total payout ratio of 60% or more is

Matsuoka Although we defined three pillars for enhancing enterprise value under the Seventh MTMP, neither shareholder returns nor growth investment can be realized without strengthening profitability. This underlying profitability is supported by the Petroleum Business—whose strength lies in its short-position strategy—and the Oil Exploration and Production Business, with its long-standing stable operations in highly profitable exploration blocks in the Emirate of Abu Dhabi.

Mr. Shinya In today's environment, while new initiatives often garner attention, investors want to see companies generate efficient and high returns by concentrating capital investment in businesses in which they have proven strengths and a track record of success. In your company's case, this approach—focusing limited resources on your core Petroleum and Oil Exploration and Production businesses—has generated strong

Special Interview: Our Three-Pronged Capital Policy

returns. I believe this has led to return on equity (ROE) exceeding that of industry peers, which the stock market views favorably.

Despite concerns over the transition to carbon neutrality and declining demand for petroleum products due to Japan's shrinking population, the stock market primarily expects companies to first generate solid profits in sectors where they have established strengths. Investors then closely evaluate how the resulting cash is appropriately balanced and allocated among growth investments, shareholder returns, and financial health. From this perspective, looking back over the past two years, I believe your company has earned a solid level of trust from the stock market.

Matsuoka As acknowledged by the stock market, we have nearly met all of our major financial KPIs as of the second year of the Seventh MTMP, while successfully executing our planned capital policy.

On the other hand, from the perspectives of profitability and investment, we face two challenges. On the profitability front, conditions in the Petrochemical Business market have deviated significantly from our assumptions at the time of



the Seventh MTMP formulation, and we are facing a challenging earnings environment. In response, during FY2024, we sold our stake in HD Hyundai Cosmo Petrochemical Co., Ltd. in the Republic of Korea, exited the para-xylene business, and focused on rationalization and efficiency improvements, including deciding to optimize production in the Chiba area.

From an investment standpoint, we refrained from participating in public bidding for offshore wind power projects due to the deteriorating business environment. We also opted not to invest in certain immature markets, delaying investments in growth areas. As a result, I feel that the Group's appeal to investors in terms of expected growth may be limited.

Mr. Shinya Your company's ROE, a key metric for the stock market, has averaged approximately 14% over the past two years. This not only significantly exceeds the Seventh MTMP target of 10% or more, but also ranks among the highest in the industry, reflecting remarkably high capital efficiency. Notably, your consistent efforts to deliver shareholder returns based on KPIs and increase dividend levels are highly commendable.

The two challenges you highlighted have, in some respects, actually contributed to a positive evaluation of your management's actions. Downsizing or exiting a business has a significant impact on employees and other stakeholders, and I believe such decisions should not be made lightly. However, the ability to respond promptly and decisively to these management challenges can be seen as a notable accomplishment over the first two years of your medium-term management plan.

In addition, while expectations were high for the offshore wind power generation business to be the central focus of *New fields*, the decision to forgo investment from the standpoint of profitability and capital efficiency was not easy to make. I believe this difficult decision, driven by the pursuit of high capital efficiency, is also worthy of recognition.

Expectations for the final fiscal year of the Seventh MTMP

Matsuoka As FY2025 marks the final year of the Seventh MTMP, we remain fully committed to achieving the targets set forth in the plan.

The elements of our three-pronged capital policy—shareholder returns, financial health, and capital efficiency—are interconnected: a shift in one affects the others. Nevertheless, if everything goes according to plan, we will achieve our defined targets.

Mr. Shinya As you have consistently met the KPIs set out in the Seventh MTMP, I anticipate that additional shareholder returns on net worth exceeding ¥600.0 billion will likely draw increased attention.

Matsuoka In terms of shareholder returns, we are committed to achieving a target cumulative payout ratio of 60% or more over the three-year period of the medium-term management plan. With respect to additional returns, if profits surpass expectations and, after following through on our planned investments, we achieve a net D/E ratio of 1.0 times and net worth exceeds ¥600.0 billion, we intend to deliver on our promise without unnecessarily retaining funds.

Special Interview: Our Three-Pronged Capital Policy

Mr. Shinya Although ¥600.0 billion is a symbolic figure, I understand that this is the first time your company has explicitly indicated your necessary net worth, taking into account the business portfolio at the time of the Seventh MTMP announcement and the risks associated with each segment. While this figure may fluctuate with changes in the business environment, what matters is that management allocates cash flow based on a sound understanding of appropriate net worth on the balance sheet. In that sense, the figure of ¥600.0 billion functions as a clear KPI that bolsters investor trust in your company's governance. I encourage you to continue emphasizing this approach.

Direction of capital policy under the next MTMP and the importance of a growth narrative

Matsuoka The enhancement of enterprise value over the medium- to long-term will remain a universal and enduring priority. As we continue internal discussions in preparation for formulating the next medium-term management plan, we intend to carry forward the underlying rationale of our three-pronged capital policy into the new plan.

We recognize that necessary net worth, one of our financial health KPIs, can vary with changes in the prevailing environment. Although the current rapid inflation is one such environmental change, we are reviewing our target with a view to maintaining a balance between capital efficiency, the impact of growth investments on our financial health, and shareholder returns.

Mr. Shinya Given your company's steady achievements under the Seventh MTMP, the stock market likely expects even higher returns. In particular, while capital efficiency is already high, we are looking forward

to seeing you aim for further improvement.

Moreover, improving capital efficiency requires a higher profit level, which in turn depends on a compelling growth narrative. Within the timeframe of the medium-term management plan, what is realistically expected of your company is the further strengthening of your earnings capacity in *Oil* fields. At the same time, the trust earned from the stock market offers an opportunity to demonstrate how you can plant the seeds for growth in longer-term business sectors while maintaining balance across the three prongs of your capital policy. In doing so, the most important and challenging part is presenting a narrative that applies the strengths of your current business portfolio to new fields and broadly resonates with investors. Especially for investments in *New fields* businesses, it is essential that they not only address societal challenges but are also commercially viable. Providing concrete explanations of assumptions regarding the medium- to long-term external environment, expected investment and return levels, and risk mitigation strategies when determining commercial viability will almost certainly help elevate stock market expectations for your company's growth.

Matsuoka As you mentioned, while shareholder returns are of course important, growth investment is equally indispensable for the sustainable enhancement of enterprise value. In FY2024, we established Japan's first large-scale demonstration facility for domestic SAF production. Although the SAF market is still in its early stages, we will steadily invest in businesses where strong demand is anticipated.

During discussions around the formulation of



the next medium-term management plan, our goal is to strike a balance between near-term profit-generating measures and initiatives that sow the seeds for future growth.

Mr. Shinya In the stock market, investors seek out the companies most likely to deliver strong returns on their investments. Companies that earn higher levels of investor trust are more likely to attract more capital and see their stock price increase. From that perspective, I believe it is important not only for a company to have growth businesses, but also to inspire confidence among investors in how funds are used, as this is crucial in determining stock prices. To this end, it is necessary to minimize information gaps between the company and investors as much as possible and to clarify future business strategies, capital allocation policies, and other key agendas.

Matsuoka Going forward, we will uphold the foundation of our current capital policy. Moreover, I believe it is our duty to clearly articulate the thinking behind it, together with our growth-oriented business strategies, to capital markets. We look forward to your continued support for our capital policy under the next medium-term management plan.



Business Overview

	Petroleum Business (Refining and Sales)	Petrochemical Business	Oil Exploration and Production Business	Renewable Energy Business	Total
Net sales (FY2024 results)	¥2,506.9 billion	¥340.2 billion	¥134.6 billion	¥13.3 billion	¥2,799.9 billion
Ordinary profit (FY2024 results)	¥61.8 billion/ ¥92.6 billion (excluding the impact of inventory valuation)	-¥5.0 billion	¥82.4 billion	¥1.3 billion	¥150.8 billion/ ¥181.6 billion (excluding the impact of inventory valuation)
Number of employees (as of March 31, 2025)	4,027 people	1,133 people	293 people	212 people	6,487 people
Major operating companies and affiliated companies (as of March 31, 2025)	Cosmo Oil Cosmo Oil Marketing Cosmo Oil Sales Cosmo Oil Lubricants Cosmo Energy Solutions GYXIS Corporation Kygнус Sekiyu, others	Maruzen Petrochemical Cosmo Matsuyama Oil CM Aromatics, others	Cosmo Energy Exploration & Production Abu Dhabi Oil United Petroleum Development Cosmo E&P Albahriya, others	Cosmo Eco Power CSD Solar, others	

Impact of inventory valuation

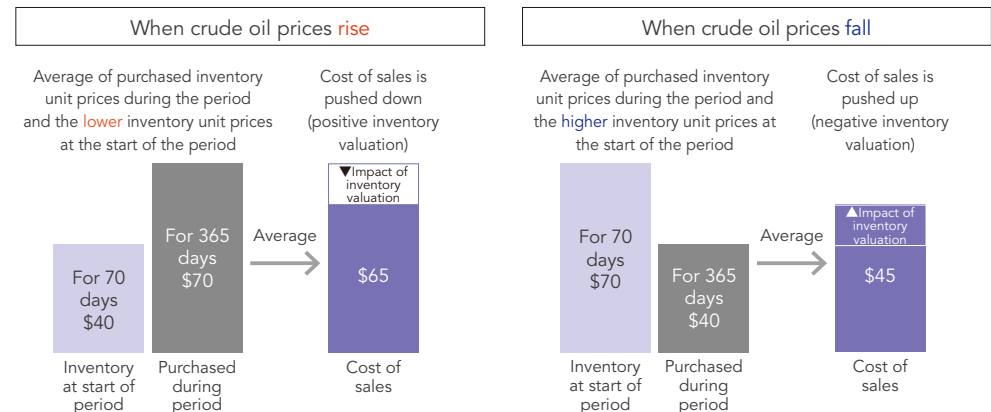
The impact of inventory valuation refers to the impact on the cost of sales in the financial statements, according to the inventory valuation method, when there is a change in the price of crude oil. It can be separated into the following two categories:

1 Inventory valuation impact based on reduction in book value

If the market value of inventory at the end of the term falls below the book value, it is necessary to reduce the book value to the market value, and this indicates that a resulting loss is incurred.

2 Inventory valuation impact based on the periodic average method

This refers to the impact in terms of income based on the periodic average method, which is an inventory valuation method. During periods when crude oil prices rise, the cost of sales is pushed down because purchased inventory unit prices that have risen during the period are averaged with the lower inventory unit prices at the beginning of the period. Conversely, during periods when crude oil prices fall, the cost of sales is pushed up because purchased inventory unit prices that have fallen during the period are averaged with the higher inventory unit prices at the start of the period.



Petroleum Business

Overview

Key management resources

Crude oil processing capacity^{1,2}

400,000 barrels per day
(domestic market share 12.4%)

Domestic sales volume³

Selling volume in Japan
22,038 thousand KL

Number of Japan-based service stations¹

2,546

Number of Cosmo The Card holders¹

3.59 million

Number of COSMO official app downloads¹

9.29 million

Cumulative number of Cosmo My Car Lease contracts¹

131,891 vehicles

1. As of March 31, 2025

2. Including the supply of petroleum products and semi-finished products (37,000 barrels per day equivalent) from the Idemitsu Kosan Group based on a business alliance

3. FY2024 result

Competitive advantages

- Maintaining high operating rates at refineries despite declining demand (a supply shortage position associated with fuel supply to Kygnus Sekiyu)
- Reinforcing connections with customers, and solid connections with service station operators and partners in other industries
- Development of branded products (Cosmo My Car Lease, Commitment Compulsory Car Inspection, Cosmo Denki (Electricity), Cosmo Zero Carbon Solution)
- High level of customer satisfaction, diversification of payment methods, and value creation centered on branding activities

Identified risks*

- Risks related to crude oil prices and procurement

Risk 5 | Fluctuations in prices of raw materials and supplies

Risk 8 | Supply chain interruptions

- Risks related to petroleum product prices and demand

Risk 1 | Decrease in demand for oil

Risk 5 | Fluctuations in prices of raw materials and supplies

- Risks related to accidents at and leakages from refineries and other facilities

Risk 6 | Natural disasters | **Risk 10** | Accidents, faults, and breakdowns

- Business continuity risks associated with rapid environmental changes

Risk 1 | Decrease in demand for oil

- Risks related to book value depreciation of inventories due to a decline in profitability

Risk 5 | Fluctuations in prices of raw materials and supplies

- Business continuity risks associated with labor shortages

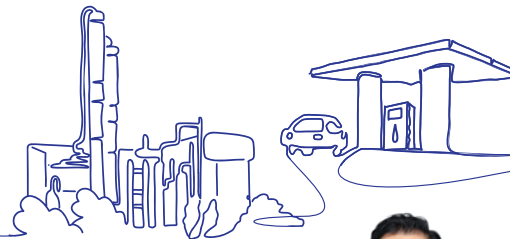
Risk 3 | Difficulties in talent acquisition and development

Opportunities

- Globally accelerating trend toward carbon neutrality and measures to support the transition to a decarbonized society (shift to EVs, green electricity, and new energy)
- Recovery in demand for jet fuel attributable to the lifting of COVID-19 border controls
- CASE* trends (mobility supply, maintenance, etc.)
- Changes in customer trends, digitization, and the wider acceptance of cashless payments

*CASE: An acronym for Connected, Autonomous, Shared & Services, and Electric

* Risks in boxes correspond to priority risks. For further information, please refer to Priority Risks in the Strengthening of Group Risk Management section on [Page 63](#).



We will establish smart next-generation refineries that ensure safe operations, stable supply, and carbon neutrality.



Representative Director, President and CEO
Cosmo Oil Co., Ltd.

Katsushi Nishi

We will continue to offer our customers better solutions as an energy and mobility service provider.



Representative Director, President and CEO
Cosmo Oil Marketing Co., Ltd.

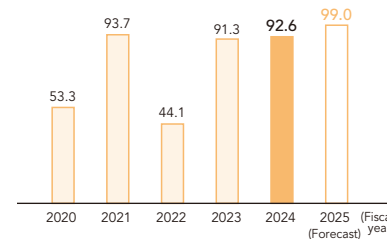
Naoki Takayama

FY2024 results and FY2025 forecast

Segment ordinary profit

(excluding the impact of inventory valuation)

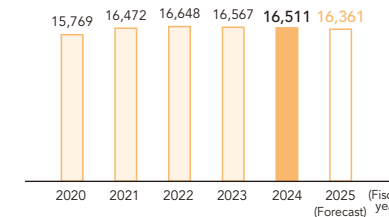
(¥ billion)



Four main products sales volume

(Thousand KL)

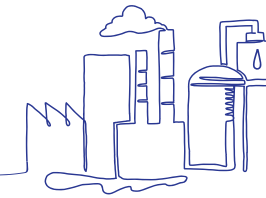
*Four main products refers to the four core petroleum products (gasoline, kerosene, diesel fuel, fuel oil A)



In FY2024, supported by solid domestic margins, ordinary profit excluding the impact of inventory valuation came to ¥92.6 billion (up ¥1.3 billion year on year).

In FY2025, while costs are expected to rise due to ongoing inflation, continued solid domestic margins and improved refinery operating rates are projected to result in ordinary profit, excluding the impact of inventory valuation, of ¥99.0 billion (up ¥6.4 billion year on year).

Petrochemical Business



Overview

Key management resources

Olefin production capacity¹

Ethylene **1.29 million tons per year**

Aromatic production capacity¹

Benzene **485,000 tons per year**
 Mixed-xylene **618,000 tons per year**

1. As of March 31, 2025

Competitive advantages

- Maintaining a world-leading market share in semiconductor photoresist² polymers
- Possess a diverse lineup of semiconductor photoresist² polymers
- The ability to meet customers' high quality requirements and demands for increased production volume through state-of-the-art semiconductor photoresist² polymer manufacturing and analytical technologies, as well as quality assurance
- Located in the Chiba area close to metropolitan area, with Japan's largest ethylene production capacity
- Promoting cooperation in oil refining between Cosmo Oil's Chiba Refinery (Petroleum Business) and the petrochemical complex it is part of

2. Semiconductor photoresist: Photosensitive material used in photolithography to create fine patterns on semiconductor devices, etc.

Identified risks*

- High volatility in petrochemical product prices
 - Risk 1** | Decrease in demand for oil
 - Risk 5** | Fluctuations in prices of raw materials and supplies
- Decreased domestic demand and export limitations due to China's economic slowdown and increased in-country manufacturing
 - Risk 1** | Decrease in demand for oil
 - Risk 2** | Impact of environmental regulations and other measures
- Supply-demand easing due to new construction and expansion of overseas plants
 - Risk 5** | Fluctuations in prices of raw materials and supplies
- Sharp increase in raw material prices due to international conflicts, the depreciation of the Japanese yen, and other factors
 - Risk 5** | Fluctuations in prices of raw materials and supplies

Opportunities

- Increasing long-term semiconductor demand due to the growth of the carbon neutrality and digital transformation markets
- Growing global demand for petrochemical products
- Net zero carbon emissions (acceleration of the global move towards decarbonization)
- Further growth in semiconductor demand in line with the widespread use of AI

* Risks in boxes correspond to priority risks. For further information, please refer to Priority Risks in the Strengthening of Group Risk Management section on [Page 63](#).

We will continue to embrace transformation amid significant environmental changes.

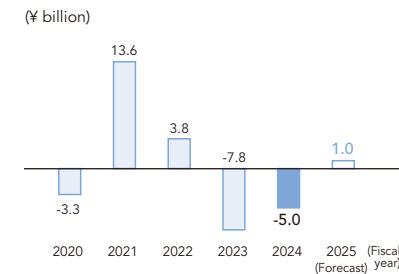


Representative Director, President and CEO
Maruzen Petrochemical Co., Ltd.

Katsuyuki Funahashi

FY2024 results and FY2025 forecast

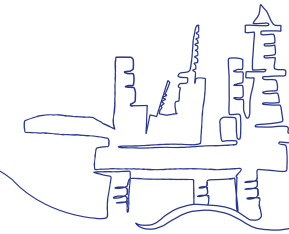
Segment ordinary profit



In FY2024, market conditions remained sluggish, particularly for ethylene, with ordinary profit totaling negative ¥5.0 billion.

In FY2025, as petrochemical market conditions continue to soften, ordinary profit is projected to increase to ¥1.0 billion (up ¥6.0 billion year on year), reflecting the absence of the impact from regular maintenance and the effects of structural improvements in the basic chemicals business.

Oil Exploration and Production Business



Overview

Key management resources

Crude oil production volume¹

Approx. **39,000** barrels per day
(comparison with crude oil processing capacity: approx. 9%)

Crude oil reserves (proved and probable)²

145.5 million barrels
(equivalent to approx. 17 years' worth of supply)

1. FY2024 result 2. As of December 31, 2024

Competitive advantages

- Strong relationship with the Emirate of Abu Dhabi
- Highly competitive oil fields due to self-operation
- Advantages in CCS/CCUS

Identified risks*

- Risk of stranded assets associated with the shift to a fossil fuel-free society
Risk 1 | Decrease in demand for oil
- Risks related to crude oil prices and production
Risk 5 | Fluctuations in prices of raw materials and supplies
- Risk of accidents in oil fields and at production facilities
Risk 10 | Accidents, faults, and breakdowns
- Risks related to exploration and development (Not applicable³)

Opportunities

- Realization of a stable energy supply during the transition to decarbonization
- Expectations for global advancements in and the popularization of CCS and CCUS technologies
- Potential collaboration with oil-producing countries in the decarbonization field

* Risks in boxes correspond to priority risks. For further information, please refer to Priority Risks in the Strengthening of Group Risk Management section on [Page 63](#).

3. We also manage risks that are not considered priority risks as part of company-wide risk management.

We are working to expand our business in the areas of oil development and decarbonization.



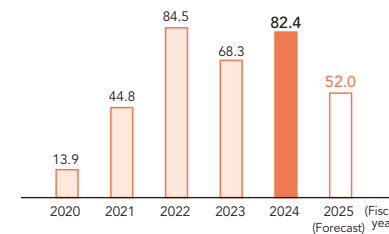
Representative Director, President and CEO
Cosmo Energy Exploration & Production Co., Ltd.

Gota Sakai

FY2024 results and FY2025 forecast

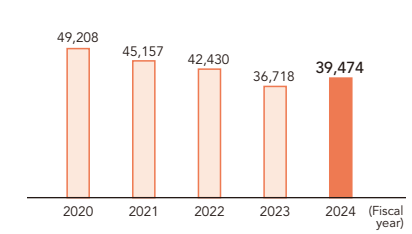
Segment ordinary profit

(¥ billion)



Crude oil production volume

(B/D)

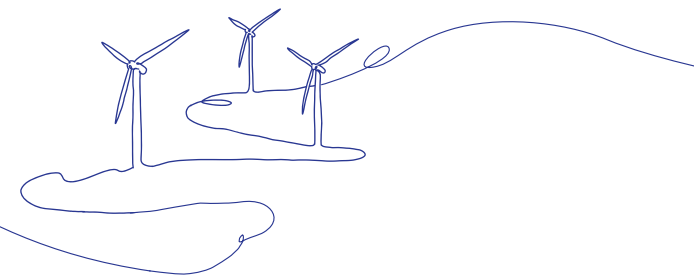


*Production volume through FY2022 is the total for key oil developers—Abu Dhabi Oil, Qatar Petroleum Development, and United Petroleum Development—while production volume from FY2023 onwards is the total for Abu Dhabi Oil and United Petroleum Development.

In FY2024, factors such as the depreciation of the Japanese yen contributed to ordinary profit of ¥82.4 billion (up ¥14.1 billion year on year).

In FY2025, while production at the Hail Oil Field, which began ramping up output at the end of 2024, is expected to increase as a result of year-round water injection, ordinary profit is projected to decline to ¥52.0 billion (down ¥30.4 billion year on year) due to the impact of crude oil prices and foreign exchange rates.

Renewable Energy Business



Overview

Key management resources

Wind power plant capacity¹

293MW

(No.3 in Japan/5% domestic share)

Solar power generation capacity²

24MW

1. As of December 31, 2024 2. As of March 31, 2025

Competitive advantages

Onshore wind power

Industry-leading utilization rate as a result of strong in-house technical capabilities in wind turbine maintenance and the installation of failure prediction systems

Offshore wind power

Commenced commercial operations of offshore wind farms in Akita Prefecture

Identified risks*

- Changes in government policies and systems related to renewable energy
Risk 2 | Impact of environmental regulations and other measures
- Decline in profitability resulting from intensified competition
Risk 2 | Impact of environmental regulations and other measures
- The domestic offshore wind power generation industry is still in its early stages and has not yet matured
Risk 2 | Impact of environmental regulations and other measures
- Decline in profitability due to fluctuations in prices of raw materials and supplies
Risk 5 | Fluctuations in prices of raw materials and supplies

Opportunities

- Renewable energy will become the main power source as the world strives to achieve carbon neutrality by 2050
- Government-led promotion of wind power generation (including power grid development, changing rules on power feeding, and the easing of regulations)
- Diversification of electricity customers due to the transition from the FIT scheme to the FIP scheme
- Expansion of the onshore wind power market (expected total capacity in 2030: 15.9GW¹)
- Expansion of the offshore wind power market (establishing projects with a total capacity of 10GW by 2030 and 30GW to 45GW, including floating wind turbines, by 2040²)

* Risks in boxes correspond to priority risks. For further information, please refer to Priority Risks in the Strengthening of Group Risk Management section on [Page 63](#).

1. Source: Ministry of Economy, Trade and Industry, *Energy Supply and Demand Outlook for FY2030 (Related Documents)*, October 2021
2. Source: Public-Private Council on Enhancement of Industrial Competitiveness for Offshore Wind Power Generation, *Overview of the Vision for Offshore Wind Power Industry (1st)*, December 2020

We seek to become a leading company in creating a carbon-neutral society.



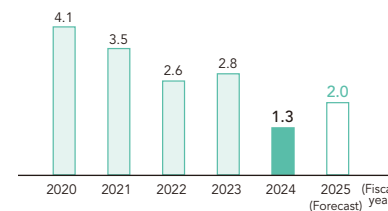
Representative Director, President and CEO
Cosmo Eco Power Co., Ltd.

Fumiaki Nokura

FY2024 results and FY2025 forecast

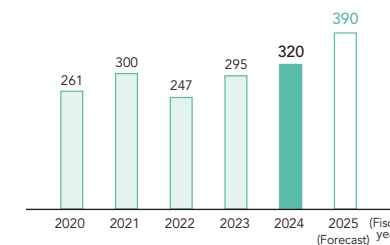
Segment ordinary profit

(¥ billion)



Wind power plant capacity

(MW)



In FY2024, due to deteriorating wind conditions and other factors, ordinary profit totaled ¥1.3 billion (down ¥1.5 billion year on year).

In FY2025, ordinary profit is projected to increase to ¥2.0 billion (up ¥0.7 billion year on year) as a result of the commencement of operations at new sites such as the New-Mutsu-Ogawara Wind Farm and other factors.

COSMO REPORT 2025

FOUNDATION

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Special Interview: Corporate Governance

Building and evolving sound governance at the Cosmo Energy Group: Current status and future outlook

Shigeru Yamada

Representative Director,
Group CEO



Dr. Chieko Matsuda

Professor, Graduate School of Management
Tokyo Metropolitan University
Professor, Faculty of Economics and Business Administration
Tokyo Metropolitan University

Professor Matsuda has been engaged in research, education, and business practice in the fields of management strategy, particularly corporate-level strategy (business portfolio management), financial strategy, and corporate governance. After working at The Long-Term Credit Bank of Japan, Limited, where she was responsible for international credit review and overseas sales, she went on to work as a credit rating analyst at Moody's Japan K.K. She later became Partner at management strategy consulting firms, including Corporate Directions, Inc. and Booz & Company, Inc., before assuming her present position. Matsuda holds a Bachelor of Arts from Tokyo University of Foreign Studies, a Master of Business Administration from École Nationale des Ponts et Chaussées, and a PhD in Management from the Graduate School of Business Science, University of Tsukuba. She is currently Senior Researcher at the Japan Association of Chief Financial Officers. In addition, she has served as an outside director for several leading companies and as a committee member for various government agencies and public institutions.



2015 as the starting point of governance: A major turning point toward stronger business execution

Yamada

The Cosmo Energy Group sustained significant damage when our main plant, the Chiba Refinery, was impacted by the 2011 Great East Japan Earthquake. For several years thereafter, the refinery was unable to operate at sufficient capacity, leading to declining profits and a prolonged period of hardship.

Under these circumstances, we recognized the need to further strengthen business execution across the Group's core Oil Exploration and Production, Petroleum Refining and Sales, and Petrochemical businesses. In 2015, we transitioned to a holding company structure and, at the same

time, became a company with an audit and supervisory committee, thereby reinforcing our organizational framework. This marked the starting point for the subsequent strengthening of our corporate governance.

Dr. Matsuda

In 2015, the "Company with an Audit and Supervisory Committee" system was introduced in Japan, with around 1,600 companies having adopted this form of corporate governance since then. Making the transition in the system's very first fiscal year, however, must have been a courageous decision.

Yamada

Our strong conviction that the status quo was untenable and that change was imperative gave

us the resolve to take decisive action. Since 2015, we have consistently pursued governance reforms. As a result, business execution has become more streamlined, enhanced monitoring has improved management transparency and efficiency, and risk management has been further strengthened.

Dr. Matsuda

In many cases, companies take a passive approach to corporate governance reforms, acting only in response to the introduction of the Corporate Governance Code. However, without a firm policy or clear vision on the part of management, efforts to strengthen corporate governance risk becoming little more than a matter of formal compliance.

In your company's case, I was especially impressed by your strong determination to enhance

Special Interview: Corporate Governance

both management oversight and business execution. Treating governance as a means of reinforcing management is, in fact, the ideal approach, and I believe it has contributed to favorable outcomes.

Yamada

Regarding the streamlining of business execution, under the previous structure, implementing relatively large-scale operational reforms at our refineries required multiple procedural steps before any decisions could be made. This often delayed management approvals and created distance between senior management and frontline employees. Currently, under a holding company structure, significant authority and responsibility are delegated to each operating company, shortening decision-making time and substantially bridging the gap between the field and management. During visits to worksites, I have observed that employees feel more empowered to express their opinions candidly, which contributes to improved execution. Overall, I feel that the current framework is functioning effectively and delivering positive results.

At the same time, I also recognize that a holding company structure has some drawbacks,

such as inevitable overlaps in back-office functions and a gradual weakening of inter-company communication, sometimes without us even realizing it. It is the responsibility of the management teams of each operating company, with me at the helm, to thoroughly eliminate redundancies, including overlapping duties, and ensure smooth communication between companies. I intend to remain constantly mindful of these priorities in our governance efforts going forward.

Dr. Matsuda

While many companies report that the decision-making process takes longer under a holding company structure, I believe it is extremely important that your company has delegated considerable authority to its operating companies, enabling them to act with greater autonomy.

2022 marked the evolution of governance: Reform and restructuring of the Board of Directors

Yamada

In 2007, our company carried out a capital increase by way of third-party allotment, making International Petroleum Investment Company¹ (now Mubadala Investment Company², hereafter, "IPIC")—an investment company wholly owned by the government of Abu Dhabi, United Arab Emirates—our largest shareholder. The appointment of two IPIC directors to our Board of Directors, along with other measures, helped deepen our relationship. Ultimately, in 2022, IPIC withdrew its investment and ceased to be a shareholder. At that time, however, the Board engaged in repeated, passionate discussions and exchanged candid opinions, all grounded in the trust-based relationship built with the Emirate of Abu Dhabi over more than 50 years. I believe this experience served as a catalyst for revitalizing the Board.

Dr. Matsuda

By receiving diverse insights and advice from long-term-oriented shareholders over the years and taking appropriate actions, your company has successfully laid the foundation for the corporate governance framework in place today.

Yamada

When we transitioned to a holding company structure in 2015, the Board of Directors was comprised of 10 members, including two outside directors from IPIC and two independent outside directors serving part-time on the Audit and Supervisory Committee. Later, in 2019, we appointed our first female director. The number of outside directors has gradually increased, and today the Board consists of 12 members, including six independent outside directors—accounting for half of the Board—and four female directors, representing one-third. In 2022, we implemented board reforms and delegated significant business execution authority to executives, enabling swift management decisions in response to changes in the external environment.

Dr. Matsuda

Regarding outside directors, there are concerns that if their careers are too similar, boards may only express homogeneous opinions, and if most are executives, they may be overly lenient toward management. Looking at the professional backgrounds of your outside directors, I noted that many have management experience, yet they come from a variety of industries, with diversity in both skills and gender. Overall, I believe the composition of your Board to be well balanced.

1. International Petroleum Investment Company: An investment company wholly owned by the Government of the Emirate of Abu Dhabi
 2. Mubadala Investment Company: An energy-related investment company wholly owned by the Emirate of Abu Dhabi. Formed as a holding company through the merger of International Petroleum Investment and Mubadala Development Company



Special Interview: Corporate Governance

Yamada | The two individuals newly appointed as outside directors in 2024 bring management experience from companies outside the energy sector. They have offered numerous valuable perspectives that differ from those of their counterparts in the energy industry, underscoring once again the importance of ensuring diversity. Among the six current independent outside directors, several have government or legal backgrounds, contributing to a well-balanced board composition. Going forward, we remain committed to ensuring diversity.

Outside directors continually deepen their understanding of our company through regular consultations and meetings with employees, which is to be expected. They also proactively visit operational sites, enabling them to gain firsthand insight into conditions and practical nuances on the frontlines. Furthermore, when it comes to dialogue with investors, they hold small-scale meetings with investors themselves, engaging in direct discussions without executive officers in charge of operations present. At board meetings, we receive a range of opinions, recommendations, and questions informed by these interactions, many of which are highly substantive and incisive.

Mechanisms supporting effective governance: A cycle of dialogue and evaluation

Dr. Matsuda | Are dynamic discussions taking place at your board meetings?

Yamada | Board meetings are a forum for free and open discussion, and I find them highly productive. With outside directors from various professional backgrounds sharing diverse perspectives, we often run short on time, and the Board engages

in fruitful discussions grounded in a shared commitment to enhancing enterprise value. In addition to board meetings, we hold dedicated meetings (executive sessions) for outside directors approximately three times a year, where they exchange opinions on topics other than those on the board meeting agenda. The various suggested areas for improvement and requests arising from these sessions are reported to me and the Board Secretariat, and I believe this plays a major role in strengthening governance.

Since 2015, the Board of Directors has conducted an evaluation of its effectiveness, using questionnaires to gather feedback as a basis for discussion and identification of key issues. While this process is standard, in FY2023, we conducted an effectiveness evaluation with the cooperation of a third-party organization to incorporate objective perspectives and external expertise at the recommendation of outside directors. This external assessment confirmed that board meetings serve as a forum for the candid exchange of opinions and that appropriate monitoring is being conducted. We plan to continue to enlist the support of a third-party organization for such effectiveness evaluations in the future.

At the same time, outside directors requested that board discussions be further deepened. While I felt that the level of discussion at board meetings was sufficient, this reaffirmed that some members may seek more in-depth dialogue depending on the matter at hand. Going forward, I intend to focus on deepening discussions through preliminary briefings, executive sessions, and other measures.

Dr. Matsuda | I often hear from board secretariats and executives that they feel apologetic about asking outside



directors to spend so much time on discussions. However, outside directors frequently request that sufficient time be set aside for meaningful dialogue. Executive sessions and retreats serve this purpose well, enabling more in-depth discussions. I feel that everyone is conscious of this feedback loop, recognizing that sharing the results of their discussions with management helps enhance enterprise value.

Yamada | Although sudden changes and extensions to meeting times pose scheduling problems, I have heard that when setting the annual schedule, outside directors actually prefer if certain matters are slated for discussion at executive sessions or other such meetings.

Dr. Matsuda | Absolutely. I believe many outside directors, provided they know the schedule in advance, are willing to spend the necessary time on discussions, including on weekends—I myself feel the same way. Within the time allotted for board meetings, many topics receive only limited discussion and are not fully explored. In this regard, full day executive sessions provide an opportunity for much deeper discussion. Furthermore, outside directors appreciate time being allocated for these discussions, as such settings also make it easier

Special Interview: Corporate Governance

to understand what the executive team is truly thinking. I believe your company's outside directors similarly value the chance to engage in deeper dialogue.

Integration of financial and non-financial discussions: Toward the realization of sustainability governance

Yamada

As part of our governance framework, we established the Sustainability Strategy Committee in FY2021 to focus on sustainability-related discussions. Under the Board of Directors, the Executive Officers' Committee handled finance-related matters, while the Sustainability Strategy Committee dealt with non-financial topics; they operated in parallel with one another. With the president serving as chairperson of both committees, balance was maintained. Over the four years since then, sustainable management has become well embedded throughout the company. Recognizing that financial and non-financial matters are inherently inseparable and need to be discussed together, in FY2025, we transitioned to a system where all matters are discussed by the Executive Officers' Committee.

Dr. Matsuda

In your company's case, I felt that separating financial and non-financial discussions would be challenging due to the nature of your industry. In particular, when it comes to the environment, I think that your company treats sustainability as synonymous with management itself, and indeed with strategy itself.

Yamada

As you mentioned, we did face challenges in separating discussions. We initially chose to establish two separate meeting bodies or frameworks because we wanted all employees



to understand the importance of sustainability. However, financial and non-financial matters are inherently inseparable. Now that these discussions have been integrated, I believe we are able to engage in more concrete and productive dialogue.

Dr. Matsuda

While it is the role of senior management to embed sustainability within management strategies and articulate a unified vision for the future, I believe it is the responsibility of middle management to set concrete KPIs for achieving this vision, ensure these are effectively communicated, and actively monitor progress. Many companies have not yet been able to make this distinction successfully.

Looking at sustainability-related governance in three stages, the final stage would see the Sustainability Strategy Committee dissolved, with sustainability so fully integrated into senior management that it no longer needs to be explicitly referenced. On the other hand, even when it is integrated at that level, actual tasks—such as monitoring KPIs—still need to be carried out, and these remain the responsibility of middle

management. It is essential for senior management to be mindful of treating sustainability as a separate matter while simultaneously ensuring its integration.

Yamada

I see. There is a balance between separation and integration. In that sense, our company's efforts are still a work in progress. Although outside directors have repeatedly emphasized the need for *integration* and *unification*, in practice we tend to address sustainability separately. Today's dialogue has reinforced the importance of further strengthening efforts around KPIs while striving for seamless integration at the senior management level, with the goal of further enhancing corporate governance. I look forward to applying these insights to our future governance initiatives.

Message from the Executive Officer in Charge of Sustainability



Even in an era of increasing uncertainty, we aim to enhance enterprise value by creating a sustainable future.

Junko Takeda

Representative Director, Senior Executive Officer
In charge of Human Resource Dept., Business Portfolio Management Dept., and Sustainability Initiative Dept.

Sustainable management to realize our Group Management Vision

The Cosmo Energy Group's corporate mission is to contribute to both society and the environment through our energy business. While petroleum remains a foundation for global economic growth, the industry faces pressing challenges in reducing environmental impact and addressing climate change. In response, we are proactively pursuing transformations while prioritizing safe operations and stable supply, fulfilling our role as an energy company that supports a sustainable society.

For more than 20 years, the Group has positioned sustainable development (sustainability), as defined in our Group Management Vision, at the heart of corporate management, and has committed to undertaking environmentally-friendly business operations. Building on this, in 2024, in addition to our existing brand statement, we defined six values—Integrity, Harmony, Safety, Pioneering, Self-startership, and Evolution—to guide us as we go forward and advance our sustainability efforts under a new brand framework. Our pursuit of sustainable value enhancement and development, grounded in our Group Management Vision, constitutes the very foundation of sustainability at the Group. Since FY2022, the evaluation of

efforts to achieve ESG targets has been reflected in executive remuneration as directors and executive officers work to ensure sustainable management.

Addressing material issues to fulfill Vision 2030

Based on our Group Management Vision and Basic Concept of Sustainability, the Group has identified its eight most important material issues.

When it comes to *climate change countermeasures*, one of these material issues, we announced our Net Zero Carbon Declaration in May 2021, committing to achieving net zero greenhouse gas emissions from our business operations by 2050. With the publication of the Seventh Consolidated Medium-Term Management Plan, we expanded this commitment to include our entire supply chain, aiming for net zero carbon emissions that include Scope 3 as well. We will continue to take on this challenge as a unified group, working steadily toward a carbon-neutral future.

Furthermore, investment in people is essential for implementing sustainable management. Defining *promoting human resources' success, health, and job satisfaction* as a material issue, we are pursuing a people strategy that motivates

employees and harnesses their skills in an effort to cultivate talent who can help us realize Vision 2030. To enhance enterprise value, we are focused on strengthening the capabilities of individual employees and maximizing their performance by increasing employee engagement, while also prioritizing health and productivity management, which serves as the foundation for everything we do.

Regarding *strengthening of Group risk management*, another of our material issues, we recognize growing concerns over emerging risks, including geopolitical tensions, environmental regulations, and the impact of policy trends related to decarbonization and climate change. With the business environment constantly evolving, the need for even swifter responses has grown. To address this, our Group is working to further enhance risk management across all organizations through the operation of our Enterprise Risk Management (ERM) system.

Engagement with stakeholders

From 2022 to 2024, we engaged in active dialogue with our investors and disclosed information in the area of sustainability through measures such as our annual investor-targeted ESG Presentation. Fulfilling our social responsibilities is vital to sustainable corporate growth. Aiming to continuously enhance enterprise value, we are committed to meeting stakeholders' expectations by listening carefully to their opinions, engaging in continuous dialogue and collaboration, and working for the sustainable growth of society and the Cosmo Energy Group.

Initiatives to Promote Sustainability (Sustainability Governance)

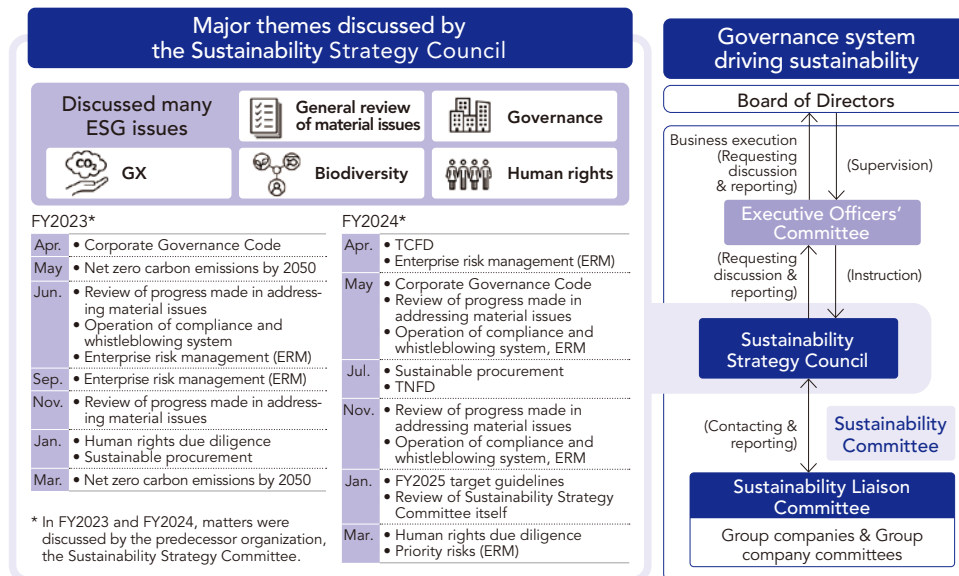
Promotion structure

Aiming to realize our Group Management Vision, the Cosmo Energy Group has established and operates organizational structures to oversee sustainability and internal control-related activities.

As a framework for advancing sustainable management, we established the Sustainability Strategy Committee to identify and assess sustainability-related risks and opportunities, and to report and evaluate progress on materiality initiatives under the Seventh Consolidated Medium-Term Management Plan. Matters deemed significant are reported to the Board of Directors.

In FY2024, the Sustainability Strategy Committee met a total of six times and discussed 19 agenda items, of which nine were reported to the Board of Directors for discussion. When necessary, the matters discussed by the Sustainability Strategy Committee are shared with Group companies through the Sustainability Liaison Committee. Moreover, the evaluation of efforts to achieve ESG targets has been reflected in executive remuneration since FY2022 as directors and executive officers work to ensure sustainable management.

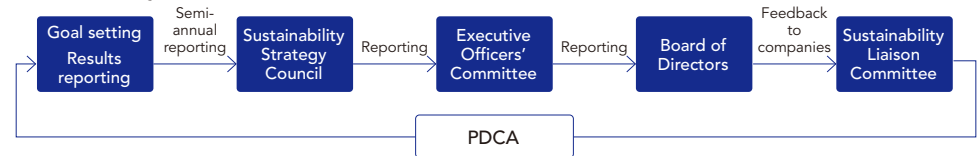
In FY2025, we revised our sustainability governance system by consolidating business execution decision making, including on sustainability strategy, under the Executive Officers' Committee, and established the Sustainability Strategy Council as an advisory body to the Committee. This organizational revision enables the Executive Officers' Committee to address financial and non-financial matters in an integrated manner, promoting the advancement of sustainable management.



PDCA cycle

We have defined KPIs for each of the material issues we have identified, setting annual targets and reporting results to the Sustainability Strategy Council, the Executive Officers' Committee, and the Board of Directors every six months. The details of reports are then relayed back to Group companies through the Sustainability Liaison Committee, ensuring effective implementation of the Plan-Do-Check-Action (PDCA) cycle.

KPI review cycle



Information disclosure: ESG assessments

The Company has been included in the FTSE4Good Index Series, one of the world's leading ESG investment indices, for 23 consecutive years since we became the first Japanese oil company to be included in the index in 2003. Furthermore, we are a constituent of the FTSE Blossom Japan Index, which has been adopted by the Government Pension Investment Fund (GPIF) as an ESG investment index, and are included in the MSCI Japan Empowering Women (WIN) Select Index, devised by the U.S. company MSCI based on women's employment data disclosed under the Act on Promotion of Women's Participation and Advancement in the Workplace. In addition, we have been selected as a constituent of SOMPO Asset Management Co., Ltd.'s SOMPO Sustainability Index—Independently established by combining ESG assessments and stock valuations—for nine consecutive years*.

*Includes years up to FY2019, when we were a constituent of the SNAM Sustainability Index.



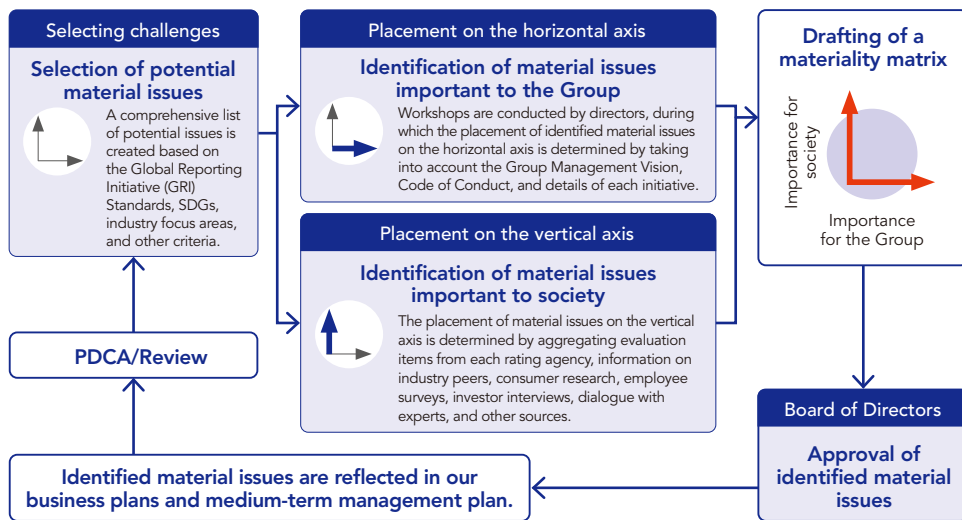
2025 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

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Material Issues of the Cosmo Energy Group

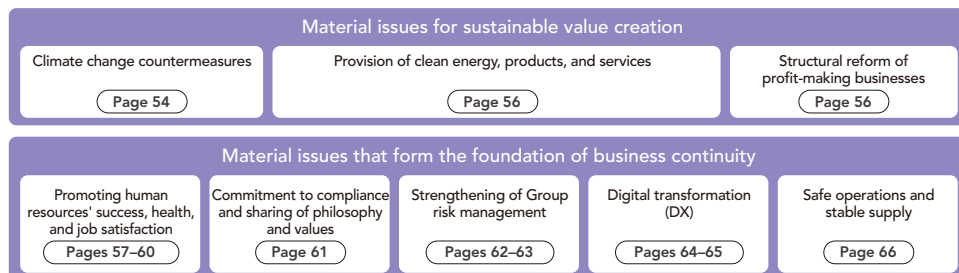
Material issue identification process

The Cosmo Energy Group has identified eight important ESG challenges (material issues) that must be addressed and that will influence the sustainable development of society and our Group, as well as our medium- to long-term enterprise value, as we work towards building the society we envision for 2050. The Group has set KPIs for each material issue.



Most important material issues

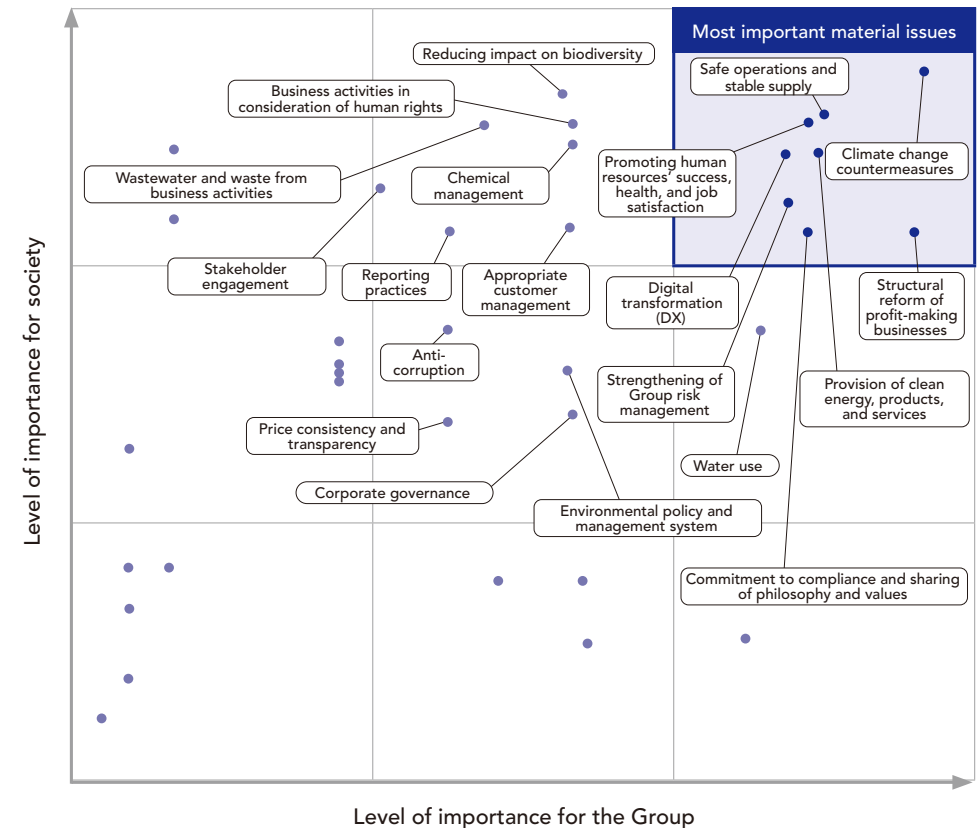
Material issues for sustainable value creation have been defined with the goal of enhancing enterprise and societal value through business operations, building upon material issues that form the foundation of business continuity.



Materiality matrix

A matrix was used for evaluating the importance of each material issue, where the horizontal axis represents the importance of each issue for the Group and the vertical axis represents their respective importance for society. We determined the level of importance of each issue for the Group based on the Group Management Vision, Code of Conduct, results of workshops conducted among directors, and details of each initiative. We then determined the level of importance of each issue for society by aggregating data from various sources, including evaluation items from rating agencies, information on industry peers, consumer research, employee surveys, investor interviews, and dialogue with experts. After plotting the resulting data points on the materiality matrix, we were able to identify the Group's eight most important material issues.

Materiality matrix



KPIs and Results for Material Issues in the Seventh Consolidated Medium-Term Management Plan

Material issues		Long-term vision	Main KPIs	FY2024 results	Related SDGs
Material issues for sustainable value creation	Climate change countermeasures (Page 54)	<ul style="list-style-type: none"> GHG emissions are managed appropriately Progress is steadily being made toward achieving net zero carbon emissions by 2050 	<ul style="list-style-type: none"> ≥30% reduction in GHG emissions* by 2030 (vs. FY2013) CO₂ emissions reduction (Scopes 1 & 2) (vs. FY2013) CO₂ reduction contribution (avoided emissions) 	<ul style="list-style-type: none"> 24% reduction 1,630,000-ton CO₂e reduction 470,000-ton CO₂e reduction contribution (avoided emissions) 	
	Provision of clean energy, products, and services (Page 56)	<ul style="list-style-type: none"> Clean fuel that meets customer needs has been developed and is supplied We have become a leading company in domestic renewable energy generation Clean products have been developed and are being provided across the entire value chain Technologies and services that support low-carbonization and decarbonization have been developed and are being supplied 	<ul style="list-style-type: none"> Clean fuel supplied <ul style="list-style-type: none"> Bio-ETBE SAF Wind power generation facility capacity Other renewable energy generation facility capacity Next-generation raw materials supplied Sales excluding fossil fuels R&D expenses and investments in new businesses 	<ul style="list-style-type: none"> Bio-ETBE supplied: 310,000 KL Used cooking oil-derived SAF supplied: Supply commenced in April 2025 Wind power generation facility capacity (as of March 31, 2025): 320MW Commercialization of other renewable energy businesses is under consideration R&D related to next-generation raw materials and new businesses is ongoing 	
	Structural reform of profit-making businesses (Page 56)	<ul style="list-style-type: none"> Business profits are generated in a decarbonized society by investing profits from existing businesses in new ventures Enterprise value is being enhanced through new businesses centered on clean technologies 	<ul style="list-style-type: none"> Investment in New businesses 	<ul style="list-style-type: none"> ¥44.5 billion invested in New fields (two-year cumulative), before factoring in sales of assets (¥16.5 billion) 	
Material issues that form the foundation of business continuity	Promoting human resources' success, health, and job satisfaction (Pages 57-60)	<ul style="list-style-type: none"> All employees can demonstrate their abilities to the fullest, regardless of age, gender, nationality, job type, affiliation, or work history Decisions are made through dynamic discussions that incorporate diverse opinions Overwork and harassment are prevented, and employees can work healthily and with peace of mind Employees take the lead in managing their own physical and mental health, and make efforts to manage and improve it Employees autonomously improve and utilize their strengths and expertise to implement business strategies Employees are energetic and challenge themselves, and enjoy continuous growth with job satisfaction and fulfillment 	<ul style="list-style-type: none"> Proportion of women in managerial roles (FY2025): ≥10% Percentage of women among total new graduate hires: ≥50% Percentage of employees who have taken a stress check (mental health) Percentage of employees who have received lifestyle health guidance (physical health) Investment in employee education and training Employee awareness survey "work satisfaction/pride" score: ≥60 points 	<ul style="list-style-type: none"> Proportion of women in managerial roles (as of April 1, 2025): 7.7% Percentage of women among total new graduate hires (those who joined the Company in April 2025): 51% 98.2% of employees took a stress check Health-focused initiatives to increase the percentage of employees who have received lifestyle health guidance are being implemented Annual training cost: ¥160,000 per person Employee awareness survey score: 62 points 	
	Commitment to compliance and sharing of philosophy and values (Page 61)	<ul style="list-style-type: none"> Laws, internal regulations, and social norms are observed Officers, employees, and other staff members understand and observe the Group Management Vision, policies, and internal regulations The Cosmo Energy Group Code of Conduct and policies are widely understood, and individuals are able to make appropriate decisions 	<ul style="list-style-type: none"> Number of compliance violations Employee awareness survey scores <ul style="list-style-type: none"> Compliance education: ≥83% Awareness of consultation helplines: ≥94% Understanding of Code of Conduct: ≥72% 	<ul style="list-style-type: none"> Number of serious compliance violations: 0 Employee awareness survey scores <ul style="list-style-type: none"> Compliance education: 83% Awareness of consultation helplines: 92% Understanding of Code of Conduct: 74% 	
	Strengthening of Group risk management (Pages 62-63)	<ul style="list-style-type: none"> Both the Group's operational risks and strategic risks (including opportunities) have been identified, and risks are appropriately hedged or leveraged Serious risks for the entire Group are understood and managed 	<ul style="list-style-type: none"> Priority risks are monitored Risks associated with priority initiatives undertaken by each company are monitored 	<ul style="list-style-type: none"> 11 priority risk categories were determined, and measures to address each were drafted and implemented Risks associated with priority initiatives undertaken by each company were identified, and a risk mitigation plan was implemented and evaluated 	
	Digital transformation (DX) (Pages 64-65)	<ul style="list-style-type: none"> A corporate culture embracing digital technology is being cultivated to transform work processes and drive continuous innovation for business transformation Efforts are being made to improve the internal and external customer experience (CX) by delivering data-driven solutions that address challenges for both customers and employees 	<ul style="list-style-type: none"> Cultivation of core digital personnel (FY2025): ≥900 people 	<ul style="list-style-type: none"> 980 core digital personnel developed We are currently working to change how employees view DX through initiatives such as classroom-based training, data utilization in work, sharing case studies across organizations, and communication with each division, with the aim of developing human resources. 	
	Safe operations and stable supply (Page 66)	<ul style="list-style-type: none"> Employee injuries are prevented Plant accidents and product (quality) accidents are prevented Operations are carried out in a way that does not threaten the safety of the operating area and surrounding residents Energy supply remains stable and reliable, even during disasters and emergencies, etc. 	<ul style="list-style-type: none"> Number of major work-related injuries Number of serious accidents Number of serious accidents with an impact on the environment Supply and sales structure during disasters and emergencies: Up and running again within 24 hours 	<ul style="list-style-type: none"> Number of major work-related injuries: 2 Number of serious accidents: 0 Number of serious accidents with an impact on the environment: 0 BCP activation: N/A 	

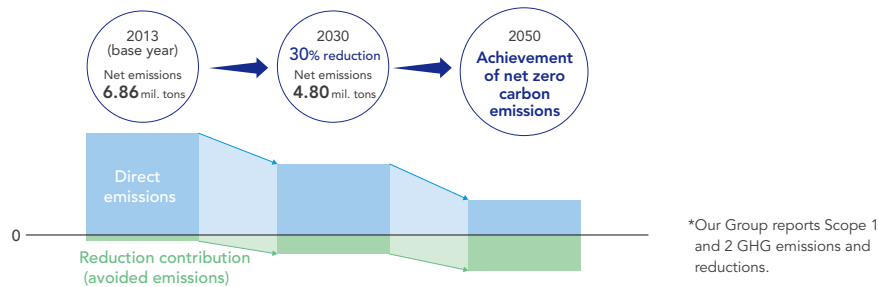
* GHG emissions are calculated by subtracting the reduction contribution (avoided emissions) attributable to renewable energy and biofuels from Scope 1 and 2 emissions.

Climate Change Countermeasures

With global attention on efforts to reduce greenhouse gases (GHG), the Cosmo Energy Group is striving to reduce GHG emissions and has announced its 2050 Net Zero Carbon Declaration. In this section, we introduce our plans, action policy, and progress in addressing climate change.

 Roadmap for Achieving Net Zero Carbon by 2050
<https://www.cosmo-energy.co.jp/en/sustainability/environment/gl-warming/netzero-roadmap.html>

GHG emissions targets and reductions



While fulfilling its responsibility to provide a stable supply of energy, the Cosmo Energy Group is aiming to reduce Scope 1 and 2 emissions from its business operations by 30% by 2030, compared to FY2013. We will do this by converting to zero-carbon energy and utilizing negative emissions technologies. Furthermore, to contribute to the realization of carbon neutrality across society as a whole, we seek to achieve net zero carbon emissions, including Scope 3, by 2050.

Priority themes for achieving net zero carbon emissions

The Cosmo Energy Group has developed a roadmap summarizing the key themes and processes we will focus on to achieve our goal of net zero carbon emissions by 2050. As a priority theme, we are focusing not only on direct reductions through energy conservation and fuel conversion but also on utilizing negative emissions technologies, green electricity, and new technologies in the form of next-generation energy. At the same time, stable energy supply has become increasingly important due to the recent rise in geopolitical risks and other factors. As an energy company, our primary responsibility is to provide a stable and reliable supply of energy that supports society, while striking a balance with our decarbonization efforts.

For this reason, we will maintain our goal of achieving net zero carbon emissions by 2050 and will steadily advance measures to ensure that we fulfill our responsibility to offer a stable supply even during the transition period. Additionally, we recognize the need to rethink our roadmap, including making adjustments to our targets, in response to changes in the external environment and advancements in technology. Accordingly, we are working to update it in line with evolving policy trends and other factors.



Efforts to reduce GHG emissions

The Cosmo Energy Group has always positioned the reduction of GHG emissions as a critical agenda, and has been working to reduce CO₂ emissions throughout the entire supply chain. In FY2024, actual GHG emissions (Scopes 1 and 2) amounted to 6.43 million t-CO₂e, representing a 20% reduction (1.63 million t-CO₂e) compared to FY2013. This was the result of increased efficiency of our manufacturing division (improved CO₂ emissions intensity) and a decrease in crude oil processing due to regular maintenance.

Furthermore, in FY2024, we achieved a 24% reduction compared to FY2013, which includes a 470,000 t-CO₂e reduction contribution attributable to the use of biofuel and renewable energy.

Under the Group's Seventh Consolidated Medium-Term Management Plan, we will further advance our GHG emissions reduction efforts, based on our Roadmap for Achieving Net Zero Carbon by 2050.

Cosmo Energy Group's GHG emissions¹

(Unit: 10,000 t-CO₂e)

	FY2013	FY2022	FY2023	FY2024
Scope 1	774	729	690	618
Scope 2 ²	32	24	23	26
Scope 1 & 2 total	806	753	712	643
Scope 3 ³	8,197	7,329	7,723	7,503

Total Group reduction contribution⁴

(Unit: 10,000 t-CO₂e)

	FY2013	FY2022	FY2023	FY2024
Avoided emissions	-23	-51	-48	-47

1. Scope of data coverage: A total of 45 companies, including Cosmo Energy Holdings, and its consolidated subsidiaries (Cosmo Oil, Cosmo Oil Marketing, Cosmo Energy Exploration & Production, Maruzen Petrochemical, etc., as well as subsidiaries and affiliated companies). In addition, the emissions intensity used for calculation was reviewed in FY2024.
2. Calculated value of market-base emissions
3. In FY2024, we reviewed calculation categories and recalculated retroactively past data for FY2022 and FY2023.
4. The total reduction contribution (avoided emissions) attributable to the use of biofuel (ETBE-blended gasoline) and renewable energy.


Participating in the GX League

The Cosmo Energy Group participates in the GX (Green Transformation) League. For details on the emissions reduction targets set by the GX League, please refer to our corporate website.



TCFD

Climate change has significant impacts on society, and at the Cosmo Energy Group, we recognize it as a material social issue. To maintain effective communication with a wide range of stakeholders, including shareholders and investors, we have organized our approach to climate change based on the framework of the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

 Addressing Climate Change — Support for the TCFD Recommendations
<https://www.cosmo-energy.co.jp/en/sustainability/environment/gl-warming/tcfd.html>

Governance

Climate change-related governance is included as part of sustainability strategy governance. The Company's Sustainability Strategy Council deliberates on important business matters and policies, including those related to climate change.

See [Page 51](#) Initiatives to Promote Sustainability (Sustainability Governance) for details.

Strategy

In line with the TCFD recommendations, the Group performed scenario analyses based on what the world may look like under the 4°C (business as usual) and 1.5°C (very low-carbon transition) scenarios. These analyses covered our Petroleum, Petrochemical, and Oil E&P businesses, looking at possible business impacts by 2030, 2040, and 2050.

Regarding predictable climate change risks and opportunities in our business activities, we anticipate changes in the business environment due to external factors and consider their importance based on the climate change risk items in the TCFD recommendations.

The results of our financial impact assessment conducted as part of our 4°C and 1.5°C scenario analyses are as follows. For the 4°C scenario, we estimated physical risks due to natural disasters and transition risks due to decreasing demand based on what the world may look like if it warmed by 4°C. For the 1.5°C scenario, we estimated transition risks due to decreasing demand and carbon pricing based on what the world may look like if it warmed by 1.5°C.

Financial impact of climate-related risks

Scenario	Risk category	Event	Subject of impact calculation	2030	2040	2050
4°C scenario	Physical risks	Natural disasters	Increase in costs due to abnormal weather	-¥0.5 bil.	-¥1.0 bil.	-¥1.5 bil.
	Transition risks	Decrease in demand	Decrease in profit due to decrease in demand	-¥4.0 bil.	-¥11.0 bil.	-¥19.0 bil.
1.5°C scenario	Transition risks	Decrease in demand	Decrease in profit due to decrease in demand	-¥9.0 bil.	-¥25.0 bil.	-¥37.0 bil.
		Carbon pricing	Increase in costs due to introduction of carbon pricing	-¥83.0 bil.	-¥76.0 bil.	-¥52.0 bil.

Natural disasters = (Largest amount of damage from a heavy rain event during the past five years × Annual incidence of heavy rain) + (Petroleum and petrochemical insurance premiums × Annual incidence of heavy rain)
 Decrease in demand = Estimated ordinary profit in 2030 × Percentage change in demand (refer to percentages in the Stated Policies Scenario (STEPS) and Announced Pledges Scenario (APS) issued by the International Energy Agency (IEA))
 Carbon pricing = Scope 1 and 2 emissions for 2030 through 2050 × Carbon price (refer to the IEA's Net Zero Emissions by 2050 Scenario (NZE))



Risk management

We recognize climate change-related risks as material management issues that affect all Group companies and have established a framework under the Sustainability Strategy Council to facilitate ongoing discussions, identify risks, and assess the status of our responses.

See [Pages 62-63](#) Strengthening of Group Risk Management for details.

Metrics and targets

At the Group, climate change-related risks are managed as part of *climate change countermeasures*, one of our defined material issues, while opportunities are addressed under *provision of clean energy, products, and services*.

In terms of our long-term greenhouse gas (GHG) emissions reduction targets, we aim to reduce emissions (Scopes 1 and 2) from our own operations by 30% by FY2030 compared with FY2013 levels, including reductions attributable to avoided emissions. Looking ahead to FY2050, we are committed to achieving net zero carbon emissions, including Scope 3 as well, in order to contribute to the realization of a carbon-neutral society.

In FY2024, Scope 1 GHG emissions from the Group's business activities amounted to 6.18 million t-CO₂e while Scope 2 came to 0.26 million t-CO₂e, for a total reduction of 6.43 million t-CO₂e, representing a 10% year-on-year reduction. When factoring in avoided emissions, Scope 1 and 2 emissions totaled 5.96 million t-CO₂e, reflecting a 24% reduction compared with FY2013.

For Scope 3 emissions, we expanded the aggregation scope to cover all applicable categories (1-7, 9, 11-13, and 15), with total emissions amounting to 75.03 million t-CO₂e.

For details of actual Scope 1 and 2 emissions, as well as category-specific data for Scope 3, please refer to our corporate website.

 ESG Data
https://www.cosmo-energy.co.jp/en/sustainability/esgdb/data-e.html#anchor_01

Provision of Clean Energy, Products, and Services

The Cosmo Energy Group aims to contribute to the development and decarbonization of society as a whole by providing energy, products, and services that meet our customers' needs through our commitment to the *provision of clean energy, products, and services*, one of our most important material issues.



Reduction contributions

Approximately 70% of the total greenhouse gases (GHG) emitted across the Group's supply chain are attributable to the use of petroleum products (Scope 3, Category 11). In light of this, in addition to efforts to reduce our own GHG emissions (Scopes 1 and 2), we are also undertaking initiatives to reduce GHG emissions across our supply chain. In terms of efforts that contribute to decarbonization on a societal level, we perform quantitative assessments based on reduction contribution (avoided emissions), a metric that quantifies the positive impact that a company's business activities have on the climate.

Supplying green electricity

The Group aims to achieve a combined installed capacity of over 1,500 megawatts in onshore and offshore wind power by 2030. Wind power is a clean, eco-friendly energy source that neither depletes resources nor emits CO₂ during generation. In addition to helping to reduce CO₂ emissions, it also contributes to improving Japan's energy self-sufficiency rate, as the country relies heavily on imported energy. We quantitatively assess how our wind power business contributes to reducing CO₂. See [Page 35](#) Increasing Green Electricity Supply Chain Profit for details.

Supplying clean fuel

Over the years, the petroleum industry has implemented a variety of environmental measures, including investing in heavy oil desulfurization units, mitigating the environmental impact of automobile fuels (gasoline and diesel oil), and reducing GHG emissions by adding bio-ETBE (ethyl tert-butyl ether) to gasoline. The Cosmo Energy Group has also been supplying bio-ETBE-blended gasoline to date, and in April 2025, began supplying Sustainable Aviation Fuel (SAF). Accordingly, we quantitatively assess the CO₂ reduction contribution of supplying bio-ETBE-blended gasoline and SAF as clean fuels.

Regarding SAF, in addition to its production and supply, we also purchase emissions reduction certificates to offset CO₂ emissions generated by Group employees' use of commercial flights for business travel. By supplying SAF, we help reduce airlines' direct emissions (Scope 1), and by purchasing these certificates associated with SAF use, we also reduce our Group's indirect emissions, contributing to the wider adoption of SAF. The Company is the first oil wholesaler to participate in the CO₂ emissions reduction programs offered by Japan Airlines Co., Ltd. and ALL NIPPON AIRWAYS CO., LTD., and through this series of initiatives, we aim to support the broader use of SAF. See [Pages 32-33](#) Commence SAF Production for details.

Reduction contribution results and targets

(Unit: 10,000 t-CO₂e)

	FY2024 result	FY2030 target
Reduction attributable to green electricity	25	130
Reduction attributable to clean fuel	22	40
Total reduction contribution (avoided emissions)	47	170

*Reduction contribution calculation method:

The reduction contribution attributable to green electricity supply is calculated by multiplying total power generation by the estimated FY2030 CO₂ emission factor for conventional grid electricity (0.25 kg of CO₂ per kWh). The reduction contribution attributable to ETBE supply is calculated using the difference in emission factors between gasoline with and without ETBE added. The reduction contribution attributable to SAF supply is calculated using reduction effect figures based on International Civil Aviation Organization (ICAO) standards.

Material issue: Structural reform of profit-making businesses

To realize our to-be business portfolio set forth in Vision 2030, the Group has defined *structural reform of profit-making businesses* as a material issue. By investing the profits from existing businesses in new ventures, we aim to contribute to a decarbonized society while ensuring the stable growth of the Group's businesses even in an environment that is changing as we transition to a decarbonized world. To this end, we have set the amount invested in new businesses (New fields) as a KPI for this material issue, and under the Seventh MTMP, we plan to invest a total of ¥140.0 billion over the three-year period.

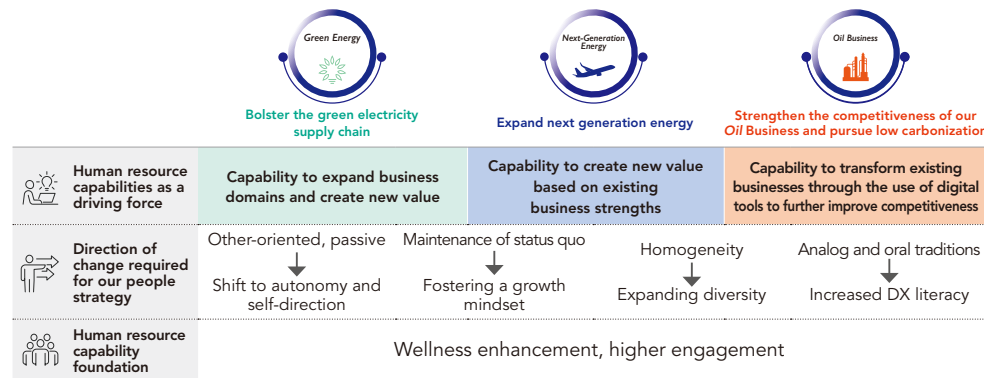
Promoting Human Resources' Success, Health, and Job Satisfaction

Recognizing human resources as a form of management capital and aiming to maximize their value, we have established the Human Resources Policy* to serve as our basic approach to utilizing human resources across the Group. The source of enterprise value creation lies in human resources. Having defined four key elements necessary for transformation—*autonomous and proactive, growth mindset, diversity, and DX literacy*—we are pursuing a people strategy that motivates employees and harnesses their skills to ensure that employees grow daily and can fully demonstrate their capabilities.

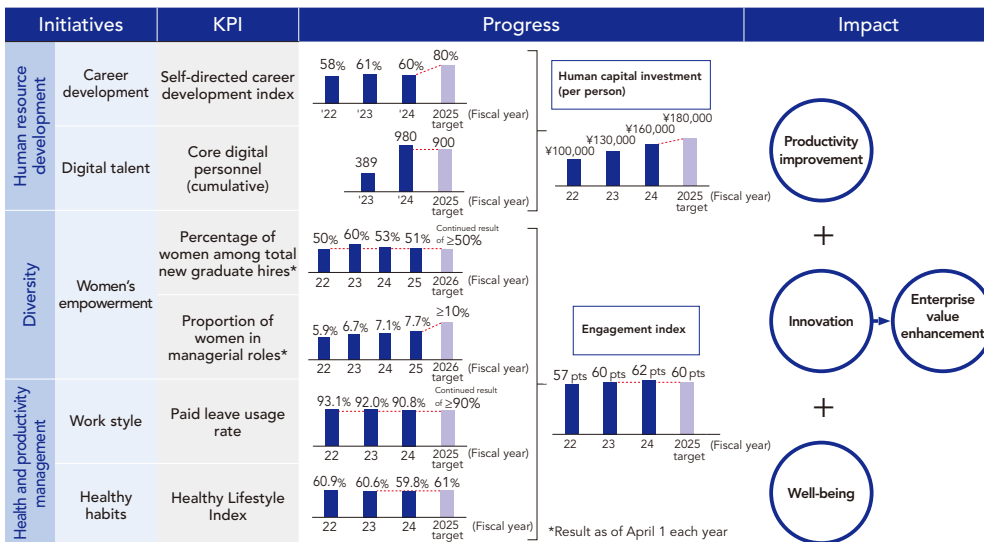
*Specific measures and targets apply to Cosmo Oil employees.

Human Resources Policy
<https://www.cosmo-energy.co.jp/en/company/policy/human-resources.html>

Vision 2030 To create energy that shapes the future, energy that sustains society, and new forms of value



HRX progress status



ESG Data
https://www.cosmo-energy.co.jp/en/sustainability/esgdb/data-s.html#anchor_01



People strategy to realize Vision 2030

Under Vision 2030, we are working to strengthen the competitiveness of our Oil Business and increase profitability, while at the same time stepping up our efforts in New fields such as green electricity and next-generation energy. We have developed a roadmap to maximize enterprise value from a medium- to long-term perspective, enabling us to respond flexibly to change and drive an energy transition that connects the present to the future.

To simultaneously take on challenges in New fields and realize transformation in Oil fields, we are pursuing a people strategy that involves forming a diverse and autonomous talent pool that continues to challenge itself, with the goal of fostering growth of both employees and the Company. By proactively setting ambitious goals and seeing them through, our employees strengthen their individual capabilities. In turn, the Company fosters an environment and culture that enable employees to challenge themselves and grow, thereby generating exceptional productivity and enhancing enterprise value over the long term.

Monitoring of our people strategy

In FY2015, we established the Human Resource Strategy Committee as an organization to continuously monitor the alignment and progress of our management and people strategies. Acting as an advisory body to the Group CEO, the Committee is composed of the Group CEO, the presidents of core operating companies, and the Executive Officer in charge of the Human Resource Dept., deliberating on matters related to the promotion of groupwide strategic human resource initiatives as well as management personnel selection and development policies. The Executive Officers' Committee discusses and makes decisions regarding our people strategy based on deliberations by the Human Resource Strategy Committee, while the Board of Directors regularly monitors people strategy progress, drawing on objective perspectives and advice from outside directors.

Human resource development - Cultivating management personnel

To systematically develop and deploy future management personnel who will lead business transformation, the management team, human resource divisions, supervisors, and employees themselves take a unified approach in providing higher-level opportunities for skill application, ensuring hands-on experience, and actively fostering growth.

Promoting Human Resources' Success, Health, and Job Satisfaction

Human resource development: Talent development in business divisions

Our talent development efforts within business divisions focus on enhancing the capabilities of line managers, who are key players in the business transformation process—particularly in developing subordinates and successors—while also emphasizing the transfer of technical skills among frontline employees and the building of expertise.

Diversity: Women's empowerment

Since the Sixth MTMP (FY2018–2022), we have promoted the active participation of women in the workplace in an effort to move beyond traditional male employee-centric organizational structures and values. Under the Seventh MTMP, we continue to define diversity, equity, and inclusion (DE&I) as a key theme in our people strategy, with the promotion of women's empowerment designated as a top priority to drive transformation and innovation across all business domains.



Initiatives to realize Vision 2030

Human resource development

To realize Vision 2030, we recognize the need for mechanisms that maximize the potential of both employees and organizations. Employees increase their engagement by putting their abilities into practice and finding fulfillment through achievement and growth. The Company, in turn, supports the strengthening of individual capabilities through effective management and by fostering an organizational culture, as well as through the design and operation of personnel systems and learning support that facilitates self-directed career development.

Cultivating management personnel

For candidates at the department head level, each individual is paired with an external strategic coach to engage in training focused on mapping out and advancing their department's management strategy through coaching. For candidates at the section chief level, the human resource division and supervisors collaboratively create a "talent profile" that outlines anticipated future positions and development challenges, with cultivation of individuals being pursued in accordance with their personal profile over a three-year development cycle. Specifically, we focus on practical development through challenging assignments, mentoring by executives, and participation in external trainings.

In FY2025, the second year of the program, employees will be encouraged to apply the insights and skills gained through executive mentoring and external training in the first year by taking on challenging assignments.



The following comments from selected participants indicate that the program is already fostering a mindset shift at business sites.

Participant feedback



In particular, challenging assignments have enabled me to seek out a wider range of information when making decisions and to consider how I should approach decision making from a managerial perspective.

I appreciated being able to discuss both professional and personal matters during mentoring sessions with executives. In particular, discussing specific projects and gaining an understanding of the reasoning behind certain decisions and actions provided me with a higher-level perspective.



Talent development in business divisions

1. Succession planning

To ensure and visualize our line manager talent pool, we have developed job descriptions and successor lists for line manager positions, which are managed through our talent management system *Cosmo Talent Palette (CTP)*. Based on these successor lists, we conduct recruitment activities, talent development, and internal transfers.

2. Passing on of technology and improvement of expertise

To pass on technology and improve expertise, we first developed a "capability map" that outlines business skills within the technical division, which is subsequently being rolled out across various domains. In addition, we certify positions that require a high level of expertise and are also recognized externally as Specialist Positions (SP course), thereby clarifying compensation for contributions to the Company and internal career paths. Through these efforts, we aim to strengthen recruitment competitiveness, reduce the risk of talent outflow, and enhance the capabilities necessary for business advancement.

Human Resource Development
<https://www.cosmo-energy.co.jp/en/sustainability/social/employee2.html>

Promoting Human Resources' Success, Health, and Job Satisfaction

Promotion of self-directed career development

1. Human resource requirements at Cosmo

We have articulated what we expect of Cosmo personnel in three key phrases: "Take on challenges," "Nurture your career," and "Excel at work." When it comes to goal setting, employees declare the concrete actions they will take that exemplify these phrases and the Company evaluates these actions, thereby promoting the internalization and practical application of the requirements.



2. Creation of career development opportunities

The career guidebook *Navigating Your Career at Cosmo* introduces the operations and required skills of each department. During the annual career declaration process, employees autonomously reassess their work experience, skills, and future career goals, reporting their desired career trajectory to the Company through discussions with their supervisors.

3. Offering a wider range of self-development opportunities

To support employees' voluntary learning aspirations and promote self-directed learning, the Company fully subsidizes the costs of correspondence courses taken for self-development purposes. From FY2024, we introduced the online learning platform *Schoo*.

4. Job challenge system

This system enables employees to directly submit their envisioned career paths to their human resource division and apply for openings in their preferred departments.

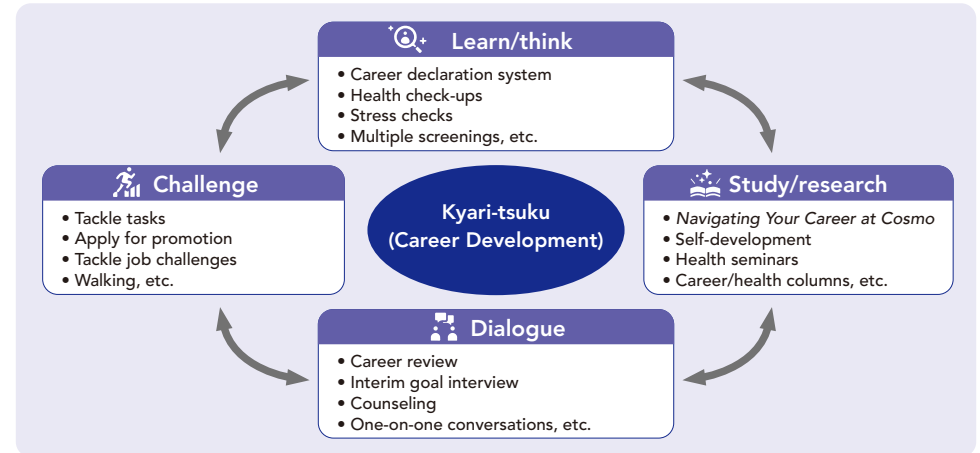
By helping employees realize their career paths, we foster self-directed career development and engagement, while receiving departments benefit from greater productivity by effectively utilizing motivated and ambitious talent.

5. Setting a career development period

We have designated September to October each year as the "Kyari-tsuku (Career Development)" period, during which employees engage in activities to deepen self-understanding, reflect, learn new professional skills and healthy habits, discuss their future with supervisors, and work on personal growth and well-being. In FY2024, as part of initiatives to help employees better understand themselves, all employees took the SPI personality test. Through the initiatives shown in the diagram at the top right, we aim to increase employees' sense of job satisfaction.



Kyari-tsuku (Career Development)



Diversity

Women's empowerment

In promoting the active participation of women in the workplace, we first recognize that forming a sufficiently sized talent pool is essential. We also place a strong emphasis on post-hiring talent development, engaging in a wide range of initiatives to foster employee growth.

The percentage of women among new graduate hires was 51% for the April 1, 2025 cohort, with a ratio of 50% or more being maintained each year since FY2022.

The proportion of women in managerial roles increased to 7.7% as of April 1, 2025 from the previous fiscal year. To achieve the Seventh MTMP target of 10% or more by FY2025, business sites and human resource divisions are working closely together to formulate individualized development plans for female management candidates, providing personalized support primarily by fostering a sense of achievement through practical work experience and raising perspectives.

In FY2024, we also organized cross-industry networking events and seminars for female managers and management candidates to learn from more senior women colleagues. In the seminars, female internal and external directors as well as line managers served as speakers, with a total of 517 employees participating across the three sessions during the year.

Diversity, Equity & Inclusion (DEI) Initiatives
<https://www.cosmo-energy.co.jp/en/sustainability/social/employee3.html>

Promoting Human Resources' Success, Health, and Job Satisfaction

Increasing engagement and promoting health and productivity management

To maximize employees' full potential, mental and physical health are essential. We focus on increasing engagement and promoting better health as a crucial human resource capability foundation. To increase engagement, we are working to maximize individual productivity by enhancing the quality of workplace communication and implementing flexible work arrangements. As KPIs under the Seventh MTMP, we set the ratio of positive responses in employee awareness surveys regarding work satisfaction, capability demonstration, and pride in work as the Engagement Index, and monitor trends in scores annually. In FY2024, our employee engagement score rose by two percentage points from the previous year to 62. Notably, the "work satisfaction" score improved, reflecting efforts that encouraged more proactive behavior among employees, such as making it mandatory for line managers to set employee development goals and enhancing both the frequency and quality of one-on-one sessions. In addition, departments with frequent one-on-one feedback sessions and regular communication between supervisors and team members tend to show higher engagement levels. Since FY2023, we have implemented monthly pulse surveys, which encourage reflection through introspection and mental health care through regular monitoring of individual employees' mental and physical well-being. In terms of our health and productivity management initiatives, we have been recognized for our preventive measures, including implementing a smoking ban during working hours and a system that allows employees to take leave when undergoing complete medical checkups and follow-up testing. In 2019, we obtained Development Bank of Japan (DBJ) Employees' Health Management Rated Loan Program¹ certification, and in 2025, we were recognized under the KENKO Investment for Health (large enterprise category) for the seventh consecutive year.



1. The Development Bank of Japan (DBJ) Employees' Health Management Rated Loan Program certification is part of the world's first financing menu to incorporate health management ratings. Using a proprietary screening system, DBJ rates and selects enterprises on the quality of their care for employee health and working conditions.

Strengthening communication

To enhance communication, we hold one-on-one meetings. These sessions encourage the sharing of development challenges and career paths between supervisors and their subordinates. In the employee awareness survey, 76% of respondents said that one-on-one meetings were beneficial for their personal growth and for their career. We aim to further improve communication quality by also leveraging the recording function for one-on-one meeting outcomes on the CTP platform, a system tool.



Promotion of autonomous and flexible work styles

1. Support for balancing childcare/nursing care and work

Recognized for our initiatives that encourage employees to balance work and childcare, Cosmo Oil became Japan's first oil wholesaler to obtain *Platinum Kurumin* certification in 2018. We are also encouraging male employees to balance work and childcare responsibilities, and in FY2024 achieved a paternity leave usage rate of 79%. Other measures include offering employees on leave the opportunity to take part in e-learning, having employees talk with their supervisors before and after leave, and providing training to supervisors. These initiatives demonstrate our commitment to ensuring that childbirth and childcare do not put the brakes on employees' career development. Furthermore, in conjunction with the establishment of a nursing care leave system that exceeds legal requirements, we hold a seminar on balancing nursing care and work to enhance internal understanding of caregiving, with over 200 participants each year.



2. Choice of autonomous work styles

Based on the *Cosmo Work Style Guidelines*, we strive to promote work styles that enhance productivity. To enable employees to choose their most productive way of working, we offer a flex-time system without core hours for day-shift employees, as well as unlimited telecommuting days, allowing for a flexible work style where employees can choose when and where they work according to their own personal circumstances. In addition, we promote the use of paid leave, which has led to a paid leave usage rate of over 90% each year.

Creating Supportive Workplaces
<https://www.cosmo-energy.co.jp/en/sustainability/social/employee4.html>

Initiatives for promoting better health

Health and productivity management at the Cosmo Energy Group is driven by the strong commitment of senior management at each Group company. We hold regular meetings of the Health and Productivity Management Promotion Committee, consisting of human resource division heads from each Group company, industrial physicians, medical professionals, and health insurance associations. In addition, we have established the Healthy Lifestyle Index² as a health and productivity management KPI, allowing us to track the degree to which healthy habits have become part of an employee's life over time. We regularly and continuously provide employees with information through online seminars, health-related events, and other channels to empower them to actively address health-related issues.

2. Healthy Lifestyle Index: The average number of employees deemed to be healthy in the following five categories based on the results of routine health check-ups (1. Exercise, 2. Diet, 3. Alcohol consumption, 4. Sleep, 5. Smoking habits)

Health and Productivity Management Initiatives
<https://www.cosmo-energy.co.jp/en/sustainability/social/employee6.html>

Commitment to Compliance and Sharing of Philosophy and Values

In the Seventh Consolidated Medium-Term Management Plan, the Cosmo Energy Group designates *commitment to compliance and sharing of philosophy and values* as one of its most important material issues that form the foundation of business continuity.

Furthermore, we have set zero incidents of serious compliance violations as a KPI for this material issue, and are working to foster a corporate culture of integrity and strengthen our compliance promotion system.



Ensuring widespread understanding of the Cosmo Energy Group Code of Conduct

At the Cosmo Energy Group, we recognize the importance of each employee upholding a strong sense of ethics and adhering to laws, internal regulations, social norms, and other rules, in order to achieve *sustainable development* as set out in the Group Management Vision. The actions that all officers and employees should take and rules they must observe in their everyday work are defined in the Cosmo Energy Group Code of Conduct, and we are working to ensure that this is widely understood.

With the objective of raising employees' ethical awareness, we plan, implement, and evaluate various initiatives on an ongoing basis, including holding annual corporate ethics and human rights training for all Group employees, sending out an e-newsletter six times a year, and conducting an annual employee awareness survey designed to foster compliance awareness and improve the workplace environment.

Compliance promotion system

Under the supervision of the Board of Directors, the Company promotes and confirms efforts to respect human rights, with the aim of preventing and eliminating all manner of compliance and human rights violations both in and outside of Japan, and reports these matters to the Sustainability Strategy Council.

Compliance violations, should they occur, are reported promptly to the Executive Officer in charge of the Sustainability Initiative Dept., as well as to directors who are members of the Audit and Supervisory Committee. In addition, the status of compliance and related matters are regularly reported to the Sustainability Strategy Council, the Executive Officers' Committee, and the Board of Directors. For all violations, we conduct a root cause analysis and implement corrective actions and recurrence prevention measures to ensure continuous improvement.

In FY2024, there were zero serious compliance violations at the Group.

Corporate Ethics Consultation Helpline

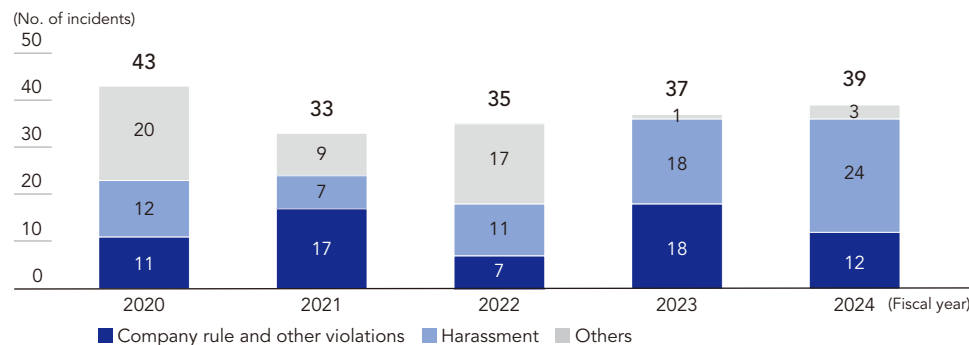
We have established the Cosmo Energy Group Corporate Ethics Consultation Helpline (Corporate Ethics Helpline) both internally and externally, allowing a wide range of stakeholders involved in the Group's business activities—including employees of all types (such as temporary, contract, and part-time staff) and business partners—to seek advice or report various ethical issues, either anonymously or under their own name. These include not only consultations that equate to whistleblowing on legal or other violations but also harassment and other unethical conduct in violation of the Cosmo Energy Group Code of Conduct, as well as breaches of company rules.

The Helpline is staffed by multiple dedicated personnel who work in cooperation with an external law firm, ensuring an organizational structure that enables reported incidents to be addressed promptly and appropriately.

In FY2024, the number of consultations totaled 39 (12 violations of company rules, etc., 24 cases of harassment, and 3 other incidents). The details of reports and consultations are regularly reported to and shared with directors who are members of the Audit and Supervisory Committee, leading to further improvement of the workplace environment at all Group companies and cross-organizational rollout of recurrence prevention initiatives and preventive measures.

Furthermore, we are working to raise internal awareness of the Corporate Ethics Helpline through regular training for all Group employees.

Number of incidents reported to the Corporate Ethics Office (past five years)



*Classifications were revised for FY2023 onwards

Strengthening of Group Risk Management

The Cosmo Energy Group has positioned the *strengthening of Group risk management* as one of its most important material issues. Based on the identification of potential risks relating to business activities, we have established a system to ensure appropriate management of various risks using a cycle of planning, implementation, evaluation, and corrective action.

*For further information on the Group's material issues, please refer to [Pages 52-53](#), and for details on the likelihood and impact of priority risks materializing as well as the corresponding countermeasures, see [Pages 33-37](#) of the Securities Report.



ERM establishment and risk management structure

To respond more appropriately to changes in the business environment and various risks, the Group has adopted a medium- to long-term perspective, approaching risks as business opportunities while implementing a groupwide Enterprise Risk Management (ERM) system aimed at maximizing enterprise value. In the selection of risks, we use a management-driven, top-down approach and promote groupwide risk management by risk category through the appointment of risk owners.

In addition, the Group's Sustainability Strategy Council deliberates on measures to address risks that affect the entire Group, including on how each measure is progressing. The Council then reports the results of these deliberations to the Executive Officers' Committee and the Board of Directors, and shares them with Group companies through the Sustainability Liaison Committee.

The Sustainability Committee meets as necessary, functioning as the practical working body of the Sustainability Strategy Council.

 Sustainability Promotion Structure
<https://www.cosmo-energy.co.jp/en/sustainability/governance/system.html>

Operation of risk management

The Group designates risks that could significantly impact its existence as priority risks. These priority risks were selected based on their high potential impact and likelihood of occurring, as well as strong relevance to material issues and industry significance, from a pool of risks identified from the top down—through management interviews and questionnaires—and from the bottom up—by each division and Group company. In April 2024, the Sustainability Strategy Committee (from FY2025, the Sustainability Strategy Council) determined 11 priority risks in consultation with management and reported them to the Board of Directors. In FY2025, we are continuing to address these 11 priority risks while incorporating recent internal and external environmental changes that could impact the Group into risk scenarios and strengthening countermeasures.

To ensure groupwide control of these priority risks, we appoint a Group risk owner to oversee the entire Group and a risk owner at core operating companies for each risk.

The Group risk owner formulates countermeasures and related implementation plans for priority risks, sets KPIs, and monitors and reviews results to gain insights for further improvement. Risk owners at core operating companies, in collaboration with the Group risk owner, ensure that the same Plan-Do-Check-Act (PDCA) cycle is implemented at each company.

Moreover, risks identified by each division and Group company that are not included among priority risks are also managed as part of the ERM system.

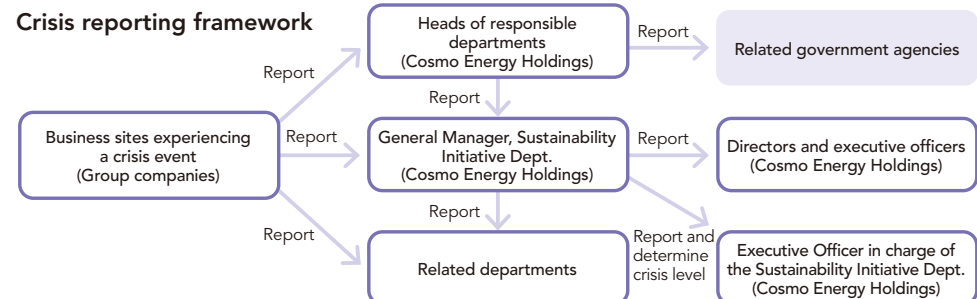
 Risk Management
<https://www.cosmo-energy.co.jp/en/sustainability/governance/risk.html>

Response in the event of a crisis

The Group prepares for various crisis events, including large-scale natural disasters and major accidents or equipment failures at our facilities. To ensure a prompt and appropriate response, we have established internal regulations that cover our response policy, crisis levels, reporting framework and criteria, and the establishment and structure of the Crisis Response Headquarters. In the event of a crisis, we consider safeguarding human life as our highest priority and make every effort to minimize losses to the Group and its stakeholders.



Photo of a Crisis Response Headquarters' earthquake business continuity plan (BCP) drill



Strengthening of Group Risk Management



Priority risks

Priority risks are as outlined below. We determine and manage these risks as described in Operation of Risk Management on [Page 62](#).

No.	Priority risk	Category	Relevance to material issues	Possible scenarios and main countermeasures
1	Decrease in demand for oil due to decarbonization and its impacts on business assets	Strategy	○	<p>Scenario An unexpectedly fast decrease in demand for petroleum products due to progress in the energy transition, together with increased costs due to the emissions trading system operated by Japan's GX (Green Transformation) League (GX-ETS) and carbon taxes, could reduce profitability and strand the Group's business assets.</p> <p>Countermeasures Appropriate assessment of medium- to long-term changes in the business environment, and examination of business direction with a view to the future environment</p>
2	Impact on our business portfolio and strategic investments associated with tighter environmental regulations and enhanced climate change countermeasures	Strategy	○	<p>Scenario The rapid strengthening of climate change countermeasures due to changes in energy policies and regulations could affect portfolio transformations and strategic investment decisions.</p> <p>Countermeasures Appropriate assessment of medium- to long-term changes in the business environment, and development of an appropriate portfolio and business strategies suited to the future environment</p>
3	Increasing difficulty in securing and developing human resources due to labor market changes	Strategy	○	<p>Scenario As Japan's working population declines, it could become difficult to secure and develop diverse, specialized human resources for both existing and new businesses.</p> <p>Countermeasures Securing management personnel and human resources in accordance with business strategies</p>
4	Delay in transitioning to carbon-neutral fuels	Strategy	○	<p>Scenario Action on carbon-neutral fuels could be delayed due to difficulties in procuring commercially available fuels or setbacks and failures in developing and introducing new technologies.</p> <p>Countermeasures Monitoring of industry and policy trends, and review of technologies</p>
5	Fluctuations in prices of raw materials and supplies	Strategy	○	<p>Scenario Increased volatility in crude oil, LNG, and other resource prices due to political and economic changes, policy shifts in other countries, and other factors, as well as global protectionist policies, inflation (including soaring equipment and labor costs), and fluctuations in foreign exchange rates may cause the Group's performance to deteriorate.</p> <p>Countermeasures Monitoring of industry and policy trends and oil-producing country moves, and optimization of procurement systems</p>
6	Natural disasters	Strategy	○	<p>Scenario The Group's facilities could suffer catastrophic damage due to a large-scale natural disaster such as an earthquake or tsunami, making early recovery difficult and leading to huge losses.</p> <p>Countermeasures Establishment of groupwide disaster countermeasures</p>
7	Misconduct related to product quality	Operations	○	<p>Scenario Product quality issues arising after shipment, due to deficiencies in quality control and a lack of self-correcting mechanisms, could result in losses from product recalls and erosion of stakeholder trust.</p> <p>Countermeasures Conducting quality audits, and considering ways to enhance quality control systems</p>
8	Supply chain interruptions	Operations	○	<p>Scenario As the Group's supply chain covers a wide area, deterioration in political situations or various issues at suppliers could cause supply chain interruptions or losses, including crude oil production site shutdowns or issues with shipping, refinery maintenance, and service station operations.</p> <p>Countermeasures Strengthening transportation systems, and reinforcing procurement risk management</p>
9	Information security risks	Operations	○	<p>Scenario A cyberattack could cause operational shutdowns, information leaks, ransom demands, or other damage. Insufficient guidance and auditing of customer information management subcontractors could result in personal information leaks and loss of customer trust.</p> <p>Countermeasures Strengthening ransomware and antivirus measures, and enhancing other countermeasures such as personal information protection</p>
10	Accidents, malfunctions, and breakdowns at production facilities	Operations	○	<p>Scenario Accidents, malfunctions, or breakdowns at refineries or oil fields could make it difficult to continue operations, result in losses that impact the surrounding natural environment and wildlife, or adversely affect cash flow generation.</p> <p>Countermeasures Preventing malfunctions (establishment of an Asset Performance Management (APM) system, etc.), strengthening disaster mitigation measures, and implementing aging countermeasures</p>
11	Fraud or inappropriate conduct due to deficiencies in internal controls	Finance/compliance	○	<p>Scenario Inadequate functioning of the internal control system or serious deficiencies or misconduct due to a lack of personnel, expertise, or proper IT implementation could result in administrative guidance or criminal penalties, in addition to a loss of stakeholder trust. The leakage of information assets outside the Group could undermine enterprise value and competitiveness.</p> <p>Countermeasures Implementing Control Self-Assessments (CSA), strengthening Group governance, and enhancing intellectual property management</p>

Digital Transformation (DX)

Defining *digital transformation (DX)* as one of our most important material issues, the Cosmo Energy Group is working to enhance its digital capabilities and promote change management.

We achieved our KPI of developing 900 core digital personnel—set under the Seventh MTMP—one year ahead of schedule, and are advancing our transformation to a data-driven business model.

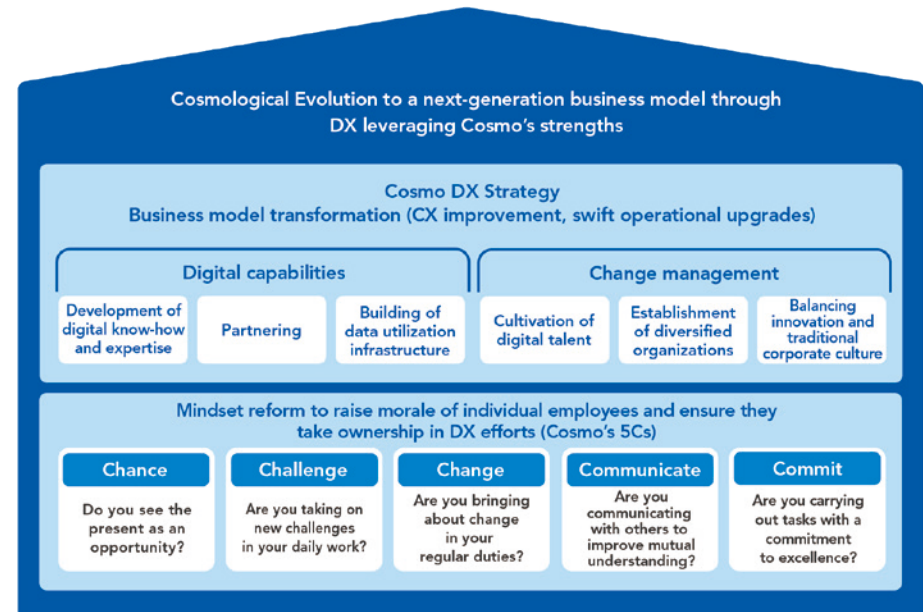


At the Cosmo Energy Group, we believe that it is crucial for each employee to take ownership in addressing business challenges and actively engage in collective DX initiatives while making use of digital technology. Under the Seventh MTMP, we set a KPI of developing 900 new personnel over the course of three years. These individuals are defined as core digital personnel and will lead the Group's culture of data utilization. We rolled out our in-house training program, called COSMO Data Campus, and certified 980 individuals—meeting our target—as core digital personnel in the two years through FY2024. By promoting organizational readiness for data utilization and orchestration through cross-departmental data linkage, we can further unlock the inherent value of data.

By integrating various DX-related programs—including Group employee communication tools such as the DX survey, lectures by external experts, internal knowledge sharing at DX Forum¹ events, and Cosmo's DX Hub² for bringing DX projects that address business challenges to fruition—we are establishing a robust DX promotion framework and enhancing the speed of DX implementation across the Group.

1. DX Forum: An information-oriented program that seeks to improve the DX literacy of all Group employees, by sharing information on the latest digital technologies and the qualities of digital talent
 2. Cosmo's DX Hub: An in-house program under which a dedicated DX Taskforce supports the implementation of DX project ideas solicited from within the Group, with the goal of accelerating digitization

DX at Cosmo (Cosmo's Vision House)



Cosmo's commitment to DX is represented as "Cosmo's Vision House," with our primary objective being to realize "Cosmological Evolution." To achieve this end, we have established six initiative pillars, categorized into two primary strategies, each consisting of three sub-initiatives. To enhance our digital capabilities, we are building digital knowledge, engaging in partnerships, and reinforcing our data utilization infrastructure. Simultaneously, effective change management requires cultivating DX talent, creating diversified organizations, and balancing innovation with our established corporate culture. Additionally, we refer to the five principles that drive the most important aspects of DX promotion—employee mindset reform and meaningful behavioral change—as "Cosmo's 5Cs."

Digital Transformation (DX)

Establishing a DX promotion activity cycle

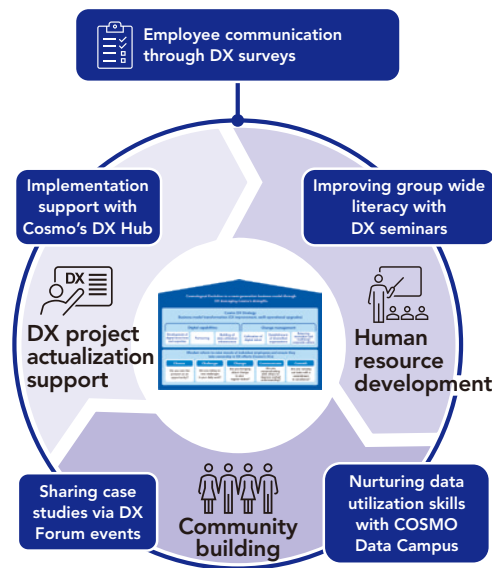
We have established and are implementing an activity cycle, encompassing communication with all employees through DX surveys, talent development, community building, and the actualization of DX initiatives.

We regularly conduct DX surveys for all Group employees to assess DX penetration and identify employee needs, which are then reflected in the Group's DX promotion activities. By collecting ideas and needs from frontline employees through these surveys and analyzing them through segmentation and other methods, we provide DX support tailored to the needs of each individual employee.

To realize our data-driven DX strategy, we provide DX training for all employees and have launched the talent development program COSMO Data Campus. The program offers tailored educational tracks for three types of data professionals—(i) data strategists, (ii) data scientists, and (iii) data engineers—based on the skills required for each role. Through practical exercises and hands-on initiatives, we cultivate personnel capable of leveraging data. These core digital personnel drive data collection, visualization, and analysis, accelerating the enhancement of digital capabilities across the Group.

Furthermore, we offer DX training designed to address business challenges and host DX Forum events to share the latest digital trends both inside and outside the company. Available to all employees, these initiatives promote an inclusive, company-wide DX culture.

To bring Group employees' DX project ideas to fruition, we have established Cosmo's DX Hub, where employees can submit proposals and receive support for their implementation. Through this initiative, we have created an environment where a dedicated DX Taskforce acts as an enabler, helping employees who seek support—from specifying an issue to discussing and implementing measures to address it.

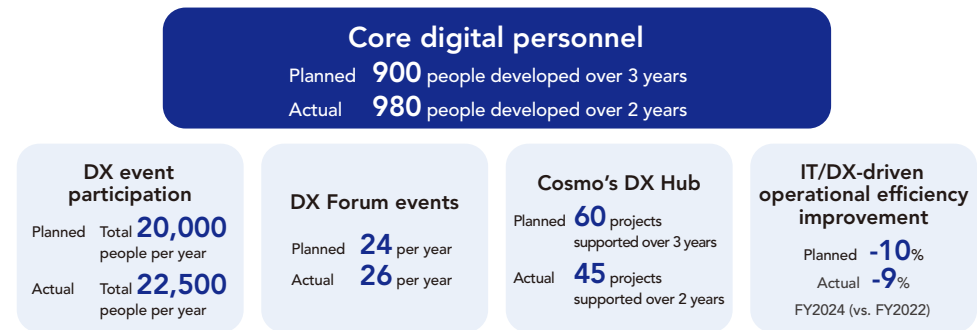


Results of our DX initiatives

To realize the Group's Seventh MTMP, we are promoting DX with the following four focus areas. In FY2024, we also undertook projects leveraging generative AI.

	Business challenge	Key details of initiative
1	Digital refineries Pages 20-24	<ul style="list-style-type: none"> Centralized maintenance data management using AI and other technologies Remote equipment monitoring through the introduction of IoT sensors Safety monitoring of refinery employees using vital sensors
2	Supply chain optimization	<ul style="list-style-type: none"> Establishing a platform for integrating supply chain data Improving accuracy of demand forecasting Utilizing optimization AI in coastal vessel scheduling
3	Promotion of marketing science	<ul style="list-style-type: none"> Sophistication of digital marketing (customer data-driven marketing initiatives)
4	Green/Energy/Mobility	<ul style="list-style-type: none"> Forecasting wind power generation volume Analyzing alert data to increase wind turbine operating hours Exploring commercialization of a new EV charging service
5	Other (back office, etc.)	<ul style="list-style-type: none"> Generating responses for various inquiry tasks using generative AI Generative AI-driven knowledge search

We are making steady progress toward achieving our main KPIs and Seventh MTMP targets, as outlined below.



Positioning DX as a key management strategy, the Company was selected for the first time as one of the DX Stocks 2025, a designation under the Digital Transformation (DX) Stock selection program jointly administered by Japan's Ministry of Economy, Trade and Industry (METI), the Tokyo Stock Exchange (TSE), and the Information-technology Promotion Agency, Japan (IPA). This recognition reflects our efforts to establish a DX promotion framework that engages all employees, advance tangible DX initiatives, and digitize our refineries.



Safe Operations and Stable Supply

The Cosmo Energy Group has designated *safe operations and stable supply* as one of our most important material issues. We consider the thorough implementation of safety measures as a foundation of business continuity to enhance enterprise value, and we have set KPIs to strengthen our safety management structure.



Thorough implementation of safety measures

The Cosmo Energy Group is actively engaged in safety activities, having set a safety target of zero major work-related injuries and serious accidents rated Level IV* or higher under the Seventh MTMP. Based on this target, in FY2024, Cosmo Oil, which operates refineries and other production sites, worked to improve safety activities under the unified Operations Management System (OMS), while continuing to prevent malfunction recurrence, deploy such measures across organizations, and manage equipment with advanced technologies.

In FY2024, although no accidents rated Level IV or higher occurred, there were two serious work-related injuries. In response, we are implementing recurrence prevention measures at each operating company while working to enhance our management system through initiatives such as the company-wide deployment of the OMS, which is already in operation at several facilities.

Similarly, Cosmo Oil Marketing has also set a safety target of zero major work-related injuries and serious accidents. To achieve this, the company issues safety alerts and shares examples of emergencies that have occurred at service stations (SS) and other sites with all organizations under its oversight, working continuously to maintain workplaces free of serious accidents.

*Based on a five-level system which represents the impact of equipment malfunctions, with Level V being the most severe.

Number of work-related accidents at the Cosmo Energy Group

(Accidents)

	FY2022		FY2023		FY2024	
	Accidents requiring time off from work	Accidents not requiring time off from work	Accidents requiring time off from work	Accidents not requiring time off from work	Accidents requiring time off from work	Accidents not requiring time off from work
Accidents during work	42	74	40	59	36	72
Accidents while commuting	12	18	10	29	12	42
Total	146		138		162	

*Accidents during work includes ones that occurred at subcontracting companies.

Accident prevention and reduction of unsafe conditions and equipment malfunctions

At Cosmo Oil, the date of the LPG tank explosion and fire in March 2011 has been designated as "Cosmo Oil Safety Day." To ensure that lessons from the accident are not forgotten and to reinforce the importance of safety, all Group employees must watch a DVD summarizing the accident, its causes, recurrence prevention measures, and so on. In addition, we are implementing various initiatives at sites nationwide, including safety lectures and the installation of monuments. Furthermore, for any malfunctions that occur, Cosmo Oil regularly holds cross-organizational follow-up meetings to discuss causes and countermeasures, enabling all refineries to implement recurrence prevention measures and reduce unsafe conditions and malfunctions.

Quality assurance: Enhancing our quality assurance structure

The Cosmo Energy Group's Sustainability Strategy Council has set a quality target of zero serious product (quality) accidents under the Seventh MTMP, based on its quality policy. At Cosmo Oil, which is primarily engaged in the petroleum refining business, we have established the Sustainability Promotion Committee to determine quality assurance policies that align with the Group's quality goals and promote quality control activities. Our refineries and plants have continued to achieve zero serious quality-related issues and shipments of non-conforming products.

Similarly, Cosmo Oil Marketing and other Group companies are undertaking quality control activities in line with the Group's quality goals, with a continued focus on ensuring zero serious quality accidents.

Moving forward, we remain committed to strengthening our quality control system and instilling a quality mindset to achieve the Group's quality goals.

Business and Human Rights, Sustainable Procurement, and Biodiversity

The Cosmo Energy Group conducts due diligence on various risks across our value chain.

Business and human rights

Promotion structure and relief mechanism

The Company promotes and monitors basic policies on corporate ethics and efforts to respect human rights, with the aim of preventing and eliminating all manner of human rights violations both in and outside of Japan, and reports these matters to the Sustainability Strategy Council.

In addition, we have established the Cosmo Energy Group Corporate Ethics Consultation Helpline (Corporate Ethics Helpline), which allows employees to anonymously consult on and report misconduct and ethical issues such as violations of laws and company rules, as a relief mechanism both inside and outside the Group.


Implementing human rights due diligence

Since FY2022, the Group has been conducting human rights due diligence to identify and evaluate human rights risks and propose improvement measures. We evaluated apparent and latent risks, as well as vulnerabilities in our management structure, and created a map of potential human rights issues. In addition, in FY2024, we conducted human rights due diligence across the entire supply chain and engaged with partner companies at our refineries and with major suppliers.

 Basic Approach to Human Rights
<https://www.cosmo-energy.co.jp/en/sustainability/social/employee.html>

Sustainable procurement

At the Cosmo Energy Group, we believe that we must deliver on our social responsibilities across the entire supply chain by ensuring legal compliance, fair transactions, respect for human rights, and environmentally responsible operations. Accordingly, we have established our Sustainable Procurement Policy and the Cosmo Energy Group Sustainable Procurement Guidelines, and evaluate our suppliers using our own questionnaire based on these guidelines. Going forward, we will expand our sustainable procurement efforts in line with the guidelines, obtain understanding and agreement from all suppliers, and work toward sustainable mutual development.

 Supply Chain Management and Sustainable Procurement
<https://www.cosmo-energy.co.jp/en/sustainability/social/procurement.html>

Biodiversity

The recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) call on companies to disclose how risks and opportunities associated with their nature-related dependencies and resulting impacts can affect their business strategies and financial plans. At the same time, they also urge companies to disclose the indicators necessary for assessing and managing these risks and opportunities.

The Group, based on the TNFD recommendations, ascertained the relationship between its business activities and nature. We also conducted a trial risk assessment and analysis of the associated business impacts.

Using existing environmental data, we conducted a trial risk assessment of our nature-related dependencies and impacts using the LEAP (Locate, Evaluate, Assess, and Prepare) approach recommended by the TNFD. This assessment incorporated the necessary indicators for issue evaluation and management, including the nature-related material issues set by the TNFD, the geographical specificity of the Group's business sites, and the upstream and downstream portions of our value chain. As a result, we confirmed that the six sites located near areas of biodiversity importance and identified as priority locations have already implemented various measures to address material issues.

Priority locations		Response measures
Off the coast of the Emirate of Abu Dhabi, United Arab Emirates	<ul style="list-style-type: none"> • Mubarraz Oil Field • Umm Al-Anbar Oil Field • Neewat Al-Ghalan Oil Field • Hail Oil Field 	Accident impact reduction <ul style="list-style-type: none"> • Installation of recovery equipment to prevent leakage of crude oil or reservoir water from offshore oil platforms • Improvement of disaster prevention equipment such as oil fences • Development of emergency notification systems Spill prevention <ul style="list-style-type: none"> • Use of double-hulled tankers • Creation of health, safety, and environment (HSE) management systems Related activities <ul style="list-style-type: none"> • Environmental protection activities on Mubarraz Island (mangrove planting, coral and seaweed cultivation, rare species protection) • Implementation of environmental impact assessments
Ichihara City, Chiba Prefecture	<ul style="list-style-type: none"> • Cosmo Oil Chiba Refinery • Maruzen Petrochemical Chiba Plant 	Accident impact reduction <ul style="list-style-type: none"> • Installation of oil fences on piers • Safety management through rapid response in the event of a refinery accident • Implementation of soil surveys, soil remediation, and monitoring
Yokkaichi City, Mie Prefecture	<ul style="list-style-type: none"> • Cosmo Oil Yokkaichi Refinery • Cosmo Oil Lubricants Yokkaichi Plant • Yokkaichi Kasumi Power Plant 	Spill prevention <ul style="list-style-type: none"> • Safety management by preventing accidents and disasters at refineries • Ensuring firefighting readiness • Appropriate management of hazardous substances • Equipment updating and shoreline reinforcement near refineries to mitigate heavy rain and tsunami risks • Treatment of drainage water from refineries and production facilities
Sakai City, Osaka Prefecture	<ul style="list-style-type: none"> • Cosmo Oil Sakai Refinery 	
Osaka City, Osaka Prefecture	<ul style="list-style-type: none"> • Cosmo Oil Lubricants Osaka Plant 	
Hokuto City, Hokkaido	<ul style="list-style-type: none"> • Cosmo Oil Hokkaido Distribution Terminal 	

 Biodiversity Initiatives
<https://www.cosmo-energy.co.jp/en/sustainability/environment/biodiversity.html>

Corporate Governance

Overview of Corporate Governance

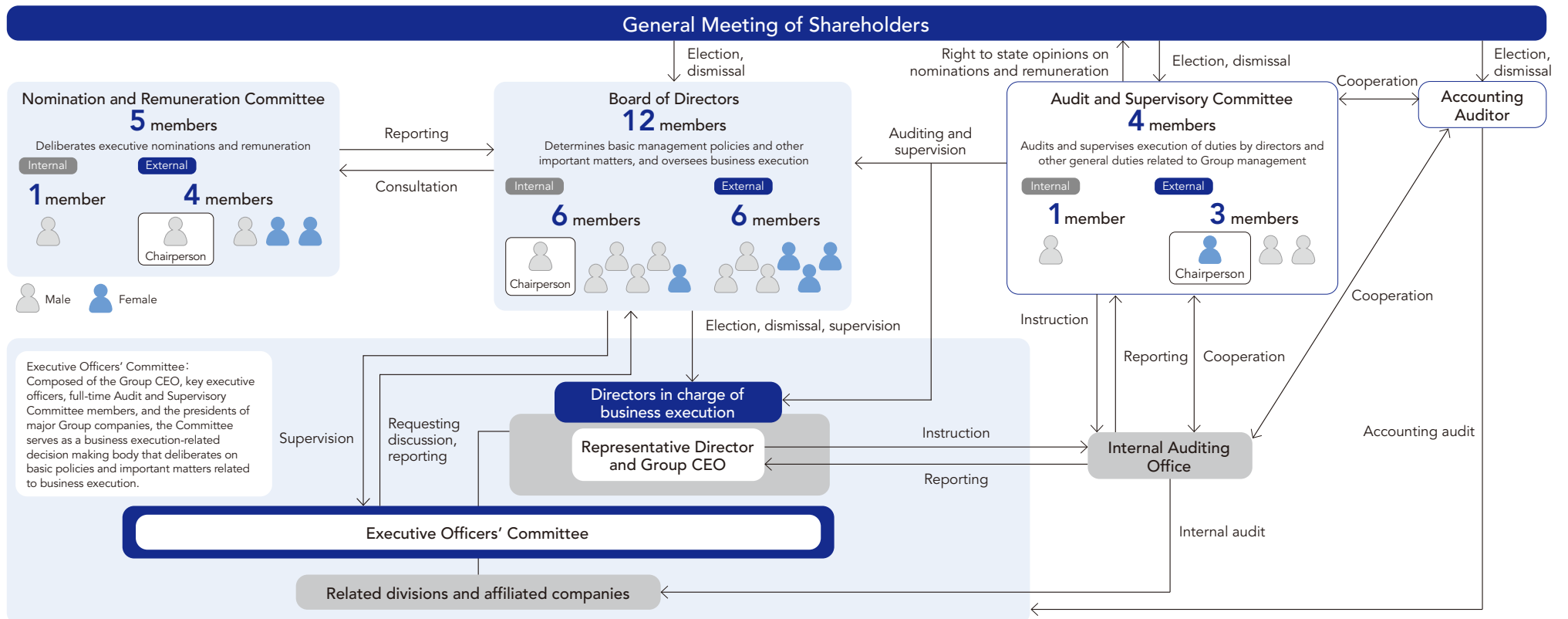
Basic approach to corporate governance

At the Cosmo Energy Group, we are actively pursuing improvements in management transparency and efficiency, prompt execution of business, and thorough risk management and compliance based on the Cosmo Energy Group Management Vision and the Cosmo Energy Group Code of Conduct, which serves as the specific guidelines for implementing and achieving the Group Management Vision.

 Cosmo Energy Holdings Co., Ltd. Corporate Governance Basic Policy
<https://www.cosmo-energy.co.jp/en/ir/management/governance.html>

Corporate governance structure

To advance the above, Cosmo Energy Holdings is structured as a company with an audit and supervisory committee, and has established a Board of Directors, an Audit and Supervisory Committee, a Nomination and Remuneration Committee, and an Executive Officers' Committee. Additionally, we have introduced an executive officer system to further clarify the separation between management supervision and business execution and to respond swiftly to changes in the business environment.



Corporate Governance

Skills Matrix

Based on the Seventh Consolidated Medium-Term Management Plan, the Company has defined the skills required of directors and executive officers as follows. Since FY2023, we have disclosed the definition of each skill area, as well as the areas in which each individual officer has a higher level of expertise.

By defining a skills matrix not only for directors but also for executive officers, we have created a structure to encourage officers, including executive officers, to work together to advance the Seventh Consolidated Medium-Term Management Plan.

Skill area	Definition
Corporate management	Has experience in business execution as CEO or in another role at an operating company, and possesses the ability to lead an organization in accordance with management strategy
Petroleum Business (Oil)	Has specialized knowledge of the petroleum business, and possesses the ability to enhance enterprise value
Other businesses (New) (Renewable Energy Business/new businesses)	Has been involved in the Renewable Energy Business and new business projects, and possesses the ability to make comprehensive judgments about new business models and profitability
Sustainability (ESG)/risk management	Possesses the ability to pursue sustainable management from the perspective of sustainability and ESG, in order to achieve sustainable growth
Personnel affairs/human resource development/diversity	Has knowledge and experience in implementing human resource strategies, and possesses the ability to draft management strategies from the perspective of personnel affairs, labor management, and diversity

Skill area	Definition
DX/technology	Has knowledge and experience in digital and other scientific technologies, and possesses the ability to transform businesses and corporate culture by leveraging related data in management strategies
PR/IR/brand marketing	Is capable of strategically deploying PR activities and making related comprehensive judgments and decisions, and possesses the ability to take the lead in enhancing and creating enterprise value
Finance/accounting/taxation	Has the finance, accounting, and taxation expertise required to draft financial and accounting strategies, and possesses the ability to properly carry out the Group's financing and finance closing operations
Legal affairs/compliance	Has expertise in corporate legal affairs and compliance, and possesses the ability to provide supervision to ensure sound corporate management
Global-mindedness	Has overseas business experience, understands different cultural perspectives and practices among other things, and possesses the ability to make management decisions from a global perspective

	Name	Gender	Title	Committee membership, responsibilities, etc.	Number of years as director ¹	Experience, knowledge, and expertise, etc. ^{2,3}									
						Corporate management	Petroleum Business (Oil)	Other businesses (New) (Renewable Energy Business/new businesses)	Sustainability (ESG)/risk management	Personnel affairs/human resource development/diversity	DX/technology	PR/IR/brand marketing	Finance/accounting/taxation	Legal affairs/compliance	Global mindedness
Directors	Hiroshi Kiriya	Male	Director, Group Chairperson	Chairperson, Board of Directors Nomination and Remuneration Committee Member	10	◎	◎	○	○	—	—	○	—	—	—
	Shigeru Yamada	Male	Representative Director, Group CEO	—	5	◎	◎	○	—	—	—	○	—	—	—
	Junko Takeda	Female	Representative Director, Senior Executive Officer	Human Resource Dept., Business Portfolio Management Dept., Sustainability Initiative Dept.	3	—	◎	—	—	◎	—	—	—	○	—
	Taisuke Matsuoka	Male	Representative Director, Senior Executive Officer	Corporate Planning Dept., Finance Dept.	1	—	◎	◎	—	—	—	○	◎	—	—
	Shigeki Iwane	Male	Director	—	1	◎	—	◎	—	—	—	—	—	—	—
	Ryuko Inoue	Female	Independent Outside Director ⁴	Nomination and Remuneration Committee Member	4	—	—	—	○	○	—	—	—	◎	○
	Takuya Kurita	Male	Independent Outside Director ⁴	Nomination and Remuneration Committee Member	3	—	—	◎	—	○	◎	—	—	—	—
	Takako Suzuki	Female	Independent Outside Director ⁴	—	1	◎	—	○	○	—	—	◎	—	—	—
	Takayuki Uematsu	Male	Director, Full-time Audit and Supervisory Committee Member	Audit and Supervisory Committee Member	7	◎	—	—	○	—	—	○	◎	—	—
	Yasuko Takayama	Female	Independent Outside Director, Audit and Supervisory Committee Member ⁴	Nomination and Remuneration Committee Member Chairperson, Audit and Supervisory Committee	6	—	—	—	◎	○	—	○	—	○	—
Keiichi Asai	Male	Independent Outside Director, Audit and Supervisory Committee Member ⁴	Chairperson, Nomination and Remuneration Committee Audit and Supervisory Committee Member	4	◎	◎	○	—	—	—	—	—	—	○	
Toshihiro Kuriyama	Male	Independent Outside Director, Audit and Supervisory Committee Member ⁴	Audit and Supervisory Committee Member	1	◎	—	○	○	—	◎	—	—	—	—	
Executive Officers	Noriko Rzonca	Female	Senior Executive Officer, CDO	Corporate DX Strategy Dept., Corporate Communication Dept., IT Initiative Dept.	—	—	—	—	—	○	◎	○	—	—	◎
	Hiroaki Ohtsuka	Male	Senior Executive Officer	Power Business Management Dept., New Energy Business Management Dept.	—	—	◎	◎	—	—	○	—	—	—	—
	Tomoki Iwai	Male	Senior Executive Officer	Accounting Dept., Legal & General Affairs Dept.	—	—	○	—	—	—	—	◎	○	—	—
	Hideyuki Wakao	Male	Executive Officer	General Manager, Internal Auditing Office Substitute Director, Audit and Supervisory Committee Member	—	—	○	—	—	—	—	◎	○	—	—
						7	8	9	6	5	4	7	4	5	3

Male Female

1. The number of years as director only takes into account the period following the establishment of Cosmo Energy Holdings in October 2015. Figures were calculated by counting the period from October 2015 to the date of the General Meeting of Shareholders in June 2016 as one year. If the calculation was to include the years served at the Company's predecessor, Cosmo Oil Co., Ltd., Mr. Hiroshi Kiriya would have served for eleven years because he was appointed as a director in June 2013.
 2. The expertise and attributes of each director and executive officer disclosed here include the areas in which they have outstanding knowledge and experience. It does not represent an exhaustive list of their respective capabilities.
 3. ◎ indicates the areas in which the individual has a higher level of expertise.
 4. The requirements for independent officers and auditors based on the regulations of the Tokyo Stock Exchange have been fulfilled.

Corporate Governance

Transition of Corporate Governance Enhancement

Since entering into a strategic partnership with International Petroleum Investment Company¹ (currently Mubadala Investment Company², hereafter, "IPIC") in 2007, the Company has consistently strengthened its governance through a series of key turning points. In 2006, we introduced the executive officer system, and in 2015 we completed our governance framework by transitioning to a holding company structure and becoming a company with an audit and supervisory committee. More recently, in 2022, we reformed the Board of Directors, reviewing its purpose and authority to further enhance the Board's monitoring function.

1. International Petroleum Investment Company: An investment company wholly owned by the Government of the Emirate of Abu Dhabi.

2. Mubadala Investment Company: An energy-related investment company wholly owned by the Emirate of Abu Dhabi; established as a holding company following the merger between International Petroleum Investment Company and Mubadala Development Company.

2006

Introduction of executive officer system

Aims of introducing the executive officer system

To ensure the clear separation of management decision making and supervisory functions from business execution functions, and to strengthen each function

2007

Strategic partnership with IPIC and capital increase through third-party allotment

Start of full-fledged shareholder-centric management

2015

Transition to a holding company structure and company with an audit and supervisory committee

Aims of a holding company structure

- To optimize resource allocation for business portfolio transformation
- To bolster business competitiveness and stabilize holding company earnings
- To strengthen Group management and accelerate the shift in management resources
- To promote alliances in each business segment

Aims of a company with an audit and supervisory committee

- To strengthen governance by granting voting rights to Audit and Supervisory Committee members

2022

Reform of the Board of Directors following change in largest shareholder (Mubadala Investment Company)

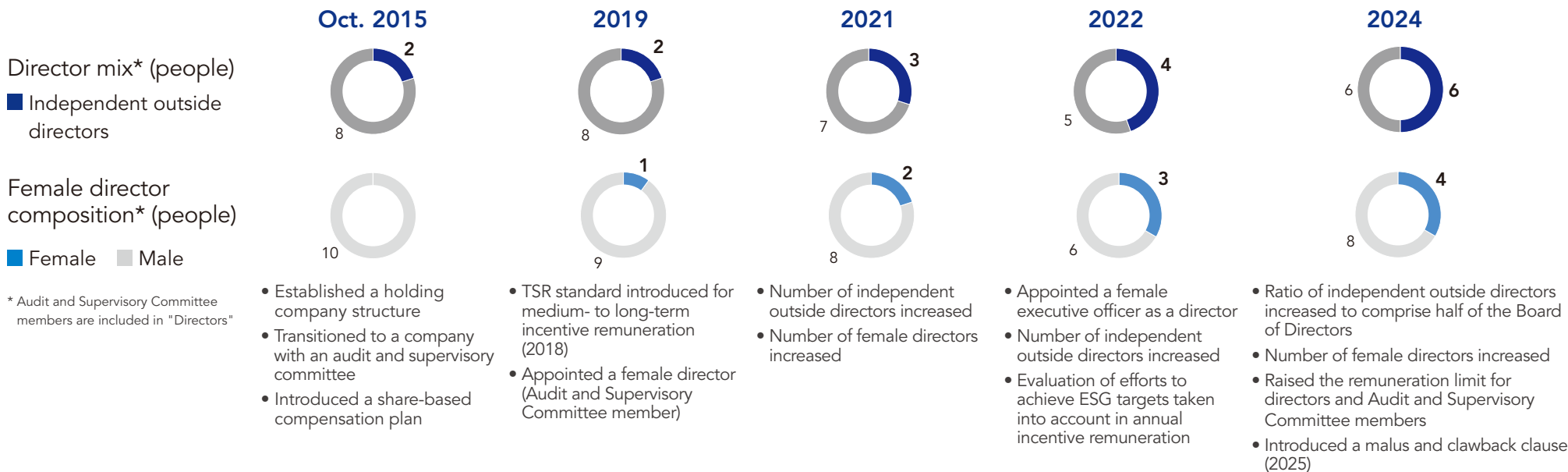
Revision of Board of Directors' purpose

Primarily focused on ensuring the sustainable growth of the Group and enhancing enterprise value over the medium- to long-term

- Seeks to streamline management while focusing on determining the Company's overall direction, engaging with stakeholders, and overseeing business execution

Review of Board of Directors' authority

- Delegated significant business execution authority to the Executive Officers' Committee, with the aim of strengthening the Board's supervisory function and streamlining management



Corporate Governance

Board of Directors

Overview

The Board of Directors is composed of directors (excluding directors who are members of the Audit and Supervisory Committee) and Audit and Supervisory Committee members. It is responsible for making decisions on basic management policies and other important matters, as well as supervising business execution.

To strengthen the Board of Directors' supervisory function and ensure fair and transparent management, we have appointed independent outside directors and established a system to provide them with necessary information in a timely manner.

Progress in strengthening Board governance

Enhancing transparency

To enable the Board of Directors to function more effectively and efficiently, we have increased transparency from various perspectives, including diversity in terms of skills and gender, and the balance between internal and external directors. As of July 2025, four out of 12 directors are women and six are independent outside directors, meaning that independent outside directors now account for half of the Board.

Review of Board of Directors' purpose and authority

In FY2021, the Board of Directors reviewed its purpose with the goal of deepening medium- to long-term discussions and strengthening engagement with stakeholders. At the same time, it broadened discussions on sustainability and the Company's medium- to long-term direction in line with this purpose.

Purpose of the Board of Directors

- The Board of Directors aims to ensure the sustainable growth of the Group and enhance enterprise value over the medium- to long-term.
- The Board of Directors strives to instill compliance with laws and regulations as well as corporate ethics. With this in mind, it focuses on determining the Group's overall direction, engaging with stakeholders (information disclosure, etc.), and overseeing business execution while streamlining management.

Furthermore, in July 2022, the Board of Directors entrusted the Executive Officers' Committee with making decisions on business execution, with the aim of strengthening the Board's supervisory function and streamlining management. Currently, the Board is increasing its effectiveness by accelerating discussions in preparation for formulating the next medium-term management plan.

Activities in FY2024

In FY2022, the Company revised the authority of the Board of Directors, delegating decision making authority over business execution to executives and expanding the scope of matters subject to reporting to further strengthen the Board's supervisory function.

Building on the above-mentioned reforms, in FY2024, the Board focused its deliberations on the following points toward realization of the Seventh Consolidated Medium Term Management Plan (hereafter, "the Seventh MTMP") and Vision 2030.

Monitoring progress of the Seventh MTMP

In FY2024, the second year of the Seventh MTMP, the Board once again conducted semi-annual progress reviews to monitor the status of business execution and provide advice for its further advancement. As a result, we have achieved many of our financial and non-financial targets ahead of schedule.

Amid significant changes in the business environment, the Board deepened discussions on strengthening profitability in *Oil* fields and expanding *New* fields to realize Vision 2030.

Discussions on sustainability

The Board of Directors supervises and discusses sustainability strategy at its meetings based on deliberations by the Sustainability Strategy Council (formerly the Sustainability Strategy Committee). In FY2024, discussions focused on themes such as reporting on the progress and results of material issue KPIs, the status of compliance and the whistleblower system, reporting on human rights due diligence, as well as revision of our sustainability governance system.



FY2024 Securities Report (available in Japanese only)

(See **Page 65** for details of Board of Directors' meeting attendance)

https://www.cosmo-energy.co.jp/content/dam/corp/jp/ja/ir/financial/valuable/2024/pdf/fy2024_all.pdf

Corporate Governance

Board of Directors

Evaluation of Board of Directors' effectiveness

In order to check whether or not the Board of Directors is effectively fulfilling its roles and responsibilities, the Company has conducted an evaluation of the Board's effectiveness every year since FY2015.

In FY2023, we appointed a third-party organization for the first time to help us evaluate the Board's effectiveness, in order to incorporate more objective perspectives and outside expertise. In FY2024, we applied the insights gained from the previous fiscal year's third-party evaluation to improve our in-house effectiveness evaluation process.

Going forward, we will continue to consider the periodic use of third-party organizations for such evaluations.



Results of the Board of Directors Effectiveness Evaluation (Full Report)
https://www.cosmo-energy.co.jp/en/ir/management/governance/pdf/evaluation_en.html

Overview of evaluation results

- The Board of Directors is of an appropriate size, diverse in its composition, and served as a forum for the free and open exchange of opinions.
- It provided a forum for discussing topics such as management foundation issues, including our three transformations, and our governance structure.
(Increased frequency of reporting on risk management and compliance to further strengthen governance)
- The Board of Directors took the following actions and made improvements concerning its action policy stated in the previous fiscal year.
 1. Held discussions on the environment surrounding the Company and how it may change in the future, in preparation for formulating the next consolidated medium-term management plan
 2. Conducted semi-annual progress reviews, supervised the status of business execution, and held discussions on identified issues to achieve the Seventh MTMP

Future challenges and action policy

To further enhance the effectiveness of the Board of Directors, we will continue to deepen discussions in preparation for formulating the next medium-term management plan, while regularly monitoring business execution toward achieving the Seventh MTMP, as we did in FY2024.

Board of Directors support system

To ensure greater Board effectiveness and strengthen its functions, we have established a system to support directors. The Corporate Planning Dept., Secretariat Office, and Secretariat of the Audit and Supervisory Committee play a central role in this effort, providing the Board—including directors on the Audit and Supervisory Committee—with support such as advance distribution and explanation of meeting materials and the sharing of necessary information. We also hold executive sessions (informal meetings attended only by outside directors) and offer training programs for directors.

Executive succession

Separate from the Board of Directors, we hold several discussion-focused executive sessions each year exclusively for outside directors. We have established a system that ensures that the details of those discussions are shared internally in a way that protects the identity of the speaker, and that allows for outside directors' opinions and expertise to be thoroughly reflected in management.

Board of Directors training

Following their appointment, we offer directors opportunities to meet with department heads to discuss business activities undertaken by the Company and core operating companies, and to visit key facilities operated by the Group.

In FY2024, these visits included tours of our refineries, service stations, oil development facilities in the Middle East, and hydrogen stations operated in partnership with Iwatani Corporation.



Site visit by outside directors and others
(Iwatani Cosmo Hydrogen Station Heiwajima, October 2024)

Corporate Governance

Nomination and Remuneration Committee

Overview


The Company has established the Nomination and Remuneration Committee as an advisory body to the Board of Directors to ensure transparency and objectivity in the process of determining director candidates and remuneration. The Committee—composed of the Representative Director and Group Chairperson as well as independent outside directors—is responsible for deliberating on the nomination and remuneration of executives. The Committee is chaired by an independent outside director.

Activities in FY2024

In FY2024, the Nomination and Remuneration Committee met a total of nine times and primarily discussed the following agenda items.

Based on results of its deliberations, the Nomination and Remuneration Committee recommended to the Board of Directors that, starting after the 2025 Ordinary General Meeting of Shareholders, the Chairperson of the Board be appointed without representative authority. This change aims to further separate management from business execution and strengthen the Board's management monitoring function. The Committee also recommended the introduction of a malus and clawback clause.

Meeting date	Matters deliberated/reviewed
April 23, 2024	<ul style="list-style-type: none"> • Appointment of directors and executive officers • Director and executive officer remuneration
May 13, 2024	<ul style="list-style-type: none"> • Evaluation of individual directors and executive officers • Director and executive officer remuneration
June 10, 2024	<ul style="list-style-type: none"> • FY2024 activity report and effectiveness evaluation • Individual remuneration amounts for FY2023
June 20, 2024	<ul style="list-style-type: none"> • Future Board of Directors structure
July 24, 2024	<ul style="list-style-type: none"> • FY2024 individual director and executive officer goal setting • Future Board of Directors structure • Report on details of newly appointed director and executive officer training initiatives
September 24, 2024	<ul style="list-style-type: none"> • Introduction of a malus and clawback clause
November 12, 2024	<ul style="list-style-type: none"> • Confirmation of director and executive officer multilateral evaluation results • Review of report and analysis of the environment surrounding governance and executive remuneration
January 21, 2025	<ul style="list-style-type: none"> • Appointment of directors and executive officers • Introduction of a malus and clawback clause
March 26, 2025	<ul style="list-style-type: none"> • Future Board of Directors structure • Introduction of a malus and clawback clause • Director and executive officer remuneration

 FY2024 Securities Report (available in Japanese only)
 (See **Page 66** for details of Nomination and Remuneration Committee meeting attendance)
https://www.cosmo-energy.co.jp/content/dam/corp/jp/ja/ir/financial/valuable/2024/pdf/fy2024_all.pdf

Results of the evaluation of Nomination and Remuneration Committee effectiveness

As in the previous fiscal year, we determined that the Nomination and Remuneration Committee is effective and has been striving to improve its effectiveness on an ongoing basis, as demonstrated below.

In FY2023, we appointed a third-party organization for the first time to help us evaluate the Nomination and Remuneration Committee's effectiveness, in order to incorporate more objective perspectives and outside expertise. In FY2024, we applied the insights gained from the previous fiscal year's third-party evaluation to improve our in-house effectiveness evaluation process.

Going forward, we will continue to consider the periodic use of third-party organizations for such evaluations.

Overview of evaluation results


- Under an appropriate structure, the Committee engages in thorough discussions based on the proper scope of its advisory function.
- The Committee conducts open and proactive discussions under appropriate management.
- The Secretariat is regarded as effectively fulfilling all necessary functions.

Achievements in FY2024

- Changes in the structure of the Board of Directors
- Introduction of a malus and clawback clause

Future challenges and action policy

To further enhance the effectiveness of the Nomination and Remuneration Committee, we will undertake initiatives such as revising our remuneration plan in line with the next medium-term management plan.

 Results of the Evaluation of Nomination and Remuneration Committee Effectiveness
https://www.cosmo-energy.co.jp/en/ir/management/governance/pdf/evaluation_en.html

Corporate Governance

Nomination and Remuneration Committee

Succession planning and CEO appointment and dismissal

The Cosmo Energy Group considers the development of successors to the Group CEO to be one of the most important strategies to support its sustainable growth. Our basic policy is to ensure transparency and objectivity in the selection of successor candidates and to develop individuals as successors who possess the capabilities and qualities befitting the role.

During the successor development period, successor candidates are subject to multilateral human resource evaluations, including an evaluation of whether they meet the Group’s human resource requirements, as well as annual performance reviews. At the same time, future development is supported in a structured manner through job assignments tailored to each candidate’s development status, the provision of external training opportunities, and other initiatives. The Nomination and Remuneration Committee continuously evaluates the appropriateness of the successor candidate pool and the succession plan, using information from multilateral human resource evaluations and results of annual performance reviews.

Regarding final candidate selection, the Group CEO selects a candidate who possesses the capabilities and qualities necessary to lead the Group as CEO from a pool of candidates. Selection is based on multilateral human resource evaluation information, including whether the candidate meets the Group’s human resource requirements and the results of annual performance reviews. The Group CEO then submits the proposed candidate to the Nomination and Remuneration Committee, which reviews the proposal and makes their recommendation to the Board of Directors.

In addition, the Nomination and Remuneration Committee deliberates every fiscal year on whether or not it is necessary to submit a proposal regarding the dismissal of the Group CEO to the Board of Directors in light of human resource requirements, performance standards, and other factors. If the Committee concludes that the matter needs to be referred to the Board of Directors, the Board will decide whether to dismiss the Group CEO based on the Committee’s recommendation.

Regarding the appointment of a new Group CEO in March 2023, please also refer to the Outside Director Dialogue section on pages 76-80 of COSMO REPORT 2023 and the Message from the Chairperson, Nomination and Remuneration Committee section on page 77 of COSMO REPORT 2024.

 COSMO REPORT 2023
https://www.cosmo-energy.co.jp/content/dam/corp/jp/en/ir/report/2023/pdf/report2023_en_all.pdf

 COSMO REPORT 2024
https://www.cosmo-energy.co.jp/content/dam/corp/jp/en/ir/report/2024/pdf/report2024_en_all.pdf

Corporate Governance

Executive Remuneration Plan

Overview

The Company has adopted a performance-linked remuneration plan for directors (excluding outside directors and directors who are members of the Audit and Supervisory Committee) and executive officers. The plan is designed to improve medium- to long-term business performance, provide incentives for enhancing enterprise and shareholder value, ensure ongoing alignment with shareholders’ interests, encourage directors and executive officers to take on challenges, and ensure transparency and objectivity in the remuneration determination and performance evaluation processes.

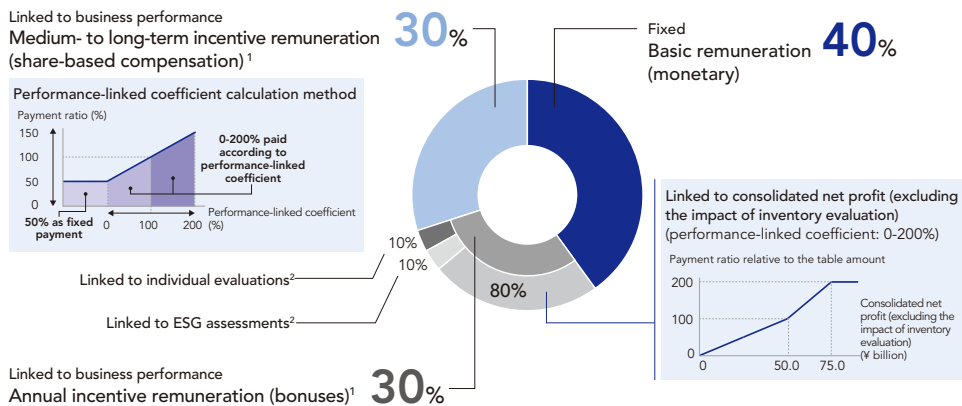
Under this plan, remuneration is composed of three parts: basic (monetary) remuneration; annual incentive remuneration; and non-monetary medium- to long-term incentive remuneration. Remuneration levels are competitive compared to those of leading domestic companies, and the weight of managerial responsibility is reflected in the higher proportion of incentive remuneration for senior executives.

Remuneration for outside directors, non-executive directors, and directors who are members of the Audit and Supervisory Committee consists solely of fixed basic remuneration, reflecting the fact that they do not perform executive duties and must properly fulfill their supervisory roles.

	Monetary remuneration		Share-based compensation
	Basic remuneration (fixed)	Remuneration linked to business performance	
		Annual incentive remuneration	Medium- to long-term incentive remuneration
Executive director	○	○	○
Executive officer	○	○	○
Outside director	○	—	—
Non-executive director	○	—	—
Audit and Supervisory Committee member	○	—	—

Corporate Governance
Executive Remuneration Plan

Executive officer remuneration plan framework (example)



1. Linked to FY2023-2025 TSR relative to the TOPIX growth rate and the consolidated net debt-to-equity ratio
2. Remuneration linked to performance (performance-linked coefficient: 0-200%)

Incentive plans

Annual incentive remuneration

Annual incentive remuneration is based on the evaluation of Group business performance, ESG assessments, and individual evaluations determined each fiscal year by the Nomination and Remuneration Committee.

To ensure consistency with the shareholder return policy announced in the Seventh MTMP, performance evaluations are now conducted based on consolidated net profit (excluding the impact of inventory valuation). Since FY2022, ESG assessments have been reflected in remuneration in an effort to foster an environment that motivates directors and executive officers to address material issues promptly and earnestly, thereby promoting sustainable management. Regarding ESG assessments, we are discussing whether to review them based on our past performance.

* For ESG targets, which serve as benchmarks, please refer to the KPIs and Results for Material Issues in the Seventh Consolidated Medium-Term Management Plan section on **Page 53** of this report.

Medium- to long-term incentive remuneration

Medium- to long-term incentive remuneration is provided in the form of a performance-linked share-based compensation plan that is non-monetary in nature. Each year, we establish an incentive plan that evaluates performance over three consecutive business years, and provide incentives as compensation for the execution of duties during the applicable business execution period. For each executive officer eligible under this system, 50% of the basic points defined for each position will be awarded based on performance and the remaining 50% based on other factors. The performance-linked coefficient is determined based on the Company's total shareholder return (TSR) relative to the Tokyo Stock Price Index (TOPIX) growth rate and the consolidated net debt-to-equity ratio.

Stock ownership guidelines

To ensure sustainable value sharing with all stakeholders, we introduced stock ownership guidelines for the Group's executive officers, effective FY2023. Including potential stock holdings (the non-performance-linked portion of basic points granted through medium- to long-term incentive remuneration), the Group Chairperson and the Group CEO are expected to receive up to 1.5 times their annual basic remuneration within five years of assuming their respective positions. For other executive officers of the Group, the goal is a standard holding value equivalent to their annual basic remuneration within five years of assuming their respective positions.

Malus and clawback clause

At the June 2024 Ordinary General Meeting of Shareholders, the Company resolved to revise its remuneration limit, taking into account potential future initiatives such as the appointment of external talent and further expansion of business performance-linked remuneration. At the same time, the Board of Directors resolved in June 2025 to introduce a malus and clawback clause to ensure the soundness of the remuneration framework.

Under this clause, if the Board of Directors identifies a material accounting error or misconduct requiring the retroactive correction of financial statements, the Company may, within three years from the occurrence of the relevant event, require the forfeiture or return of all or part of the incentive compensation paid to the relevant director or executive officer.

Directors and Executive Officers (as of July 1, 2025)

Directors



Hiroshi Kiriya
Director,
Group Chairperson

Apr. 1979 Joined Daikyo Oil Co., Ltd.
Jun. 2013 Director, Senior Executive Officer, Cosmo Oil Co., Ltd.
Oct. 2015 Director, Senior Managing Executive Officer of the Company
Jun. 2016 Representative Director, Executive Vice President
Jun. 2017 Representative Director, Group CEO
Apr. 2023 Representative Director, Group Chairperson
Jun. 2025 Director, Group Chairperson (current position)

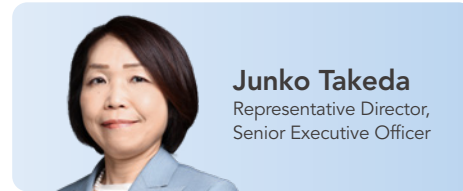
Hiroshi Kiriya has worked for many years in the supply and demand and corporate planning divisions. He possesses extensive knowledge and experience in all areas of corporate management, including participating in decision making on various alliances in Japan and overseas. In addition, he led the Group as Representative Director and CEO from June 2017 to March 2023 and was successful in addressing the future transition to environmentally-friendly renewable energy while maintaining a stable supply of fossil fuels, among other accomplishments. Since April 2023, he has served as Director and Chairperson of the Board of Directors, focusing on strengthening the Board's supervisory function.



Shigeru Yamada
Representative Director,
Group CEO

Apr. 1988 Joined Cosmo Oil Co., Ltd.
Jun. 2015 General Manager, Supply Dept.
Apr. 2018 Executive Officer, General Manager, Corporate Planning Dept. of the Company
Apr. 2020 Senior Executive Officer
Jun. 2020 Director, Senior Executive Officer
Apr. 2023 Representative Director, Group CEO (current position)

Shigeru Yamada has worked mainly in the sales, supply and demand, and corporate planning divisions, boasting a wealth of knowledge across all of the Group's business domains. Having been appointed Executive Officer and General Manager of the Corporate Planning Dept. in 2018 and as Director and Senior Executive Officer in 2020, he steadily produced results across various areas, including formulating the Seventh MTMP, promoting Group management, supervising capital and business alliances, and developing new business projects. Since April 2023, he has led the Group as Representative Director and CEO, achieving significant results in enhancing enterprise value for all stakeholders, most importantly shareholders. In addition to effectively managing existing businesses, his accomplishments include launching new businesses, considering collaborative projects with partner companies, pursuing decarbonization initiatives, and strategically managing human capital.



Junko Takeda
Representative Director,
Senior Executive Officer

Apr. 1990 Joined Cosmo Oil Co., Ltd.
Oct. 2015 General Manager, Human Resource and General Affairs Dept.
Apr. 2017 General Manager, Planning and Management Dept.
Apr. 2019 Director, Executive Officer
Apr. 2020 Executive Officer, General Manager, Human Resource Dept. of the Company
Apr. 2022 Senior Executive Officer
Jun. 2022 Director, Senior Executive Officer
Jun. 2025 Representative Director, Senior Executive Officer (current position)

Junko Takeda has worked in sales, planning, human resources, and other divisions. In 2019, she went on to supervise the Refining Business as Director and Executive Officer in charge of corporate planning and human resources at Cosmo Oil where she contributed to increasing operational efficiency and improving productivity across the business. From 2020, as Executive Officer and General Manager of the Company's Human Resource Dept., she demonstrated steady achievements by promoting workstyle reforms, encouraging diversity, and driving personnel affairs across the Group. From 2022, as Director and Senior Executive Officer, she supervised the Human Resource, Legal and General Affairs, and Business Portfolio Management departments, achieving solid results such as formulating the Seventh MTMP, Human Rights Policy, and Human Resources Policy. Since 2024, she has led human capital and sustainable management for the Group as officer in charge of the Human Resource, Business Portfolio Management, and Sustainability Initiative departments.



Taisuke Matsuoka
Representative Director,
Senior Executive Officer

Apr. 1993 Joined Cosmo Oil Co., Ltd.
Apr. 2018 General Manager, Supply Dept.
Apr. 2021 Director, Executive Officer
Apr. 2023 Senior Executive Officer of the Company
Jun. 2024 Director, Senior Executive Officer
Jun. 2025 Representative Director, Senior Executive Officer (current position)

Taisuke Matsuoka worked for many years in the sales, supply and demand, and corporate planning divisions, boasting a wealth of knowledge across the Group's business domains. From 2018, he contributed to drafting the Group's supply and demand policy and an optimal supply-demand balance as General Manager of the Supply Dept. at Cosmo Oil, and from 2021, he worked to establish a track record by overseeing Cosmo Oil as Director and Executive Officer. As Senior Executive Officer of the Company from 2023 and Director and Senior Executive Officer since 2024, he has overseen the Corporate Planning and Finance departments. Throughout his tenure, in addition to carrying out the Seventh MTMP, he has successfully explored further initiatives to achieve decarbonization.



Shigeki Iwane
Director (non-executive)

Apr. 1976 Joined The Kansai Electric Power Co., Inc.
Jun. 2007 Executive Officer, General Manager, Planning Office
Jun. 2010 Managing Director
Apr. 2012 Representative Director, Vice President
Jun. 2013 Representative Director, Executive Vice President
Jun. 2016 Representative Director, President, Outside Director, Mitsubishi Tanabe Pharma Corporation
May 2019 Chairman, Federation of Electric Power Companies of Japan
Jun. 2019 Outside Director, Television Osaka, Inc.
Jun. 2021 Senior Advisor, YUASA M&B Co., Ltd. (current position)
Dec. 2023 Advisor, Iwatani Corporation (current position)
Jun. 2024 Director of the Company (current position)

After joining The Kansai Electric Power Co., Inc. (KEPCO) in 1976, Shigeki Iwane went on to be appointed to various leadership positions, including Executive Officer and General Manager of the Planning Office in 2007, Managing Director in 2010, and Representative Director and Vice President in 2012, before assuming the role of Representative Director and President in 2016. With extensive experience in corporate management, he possesses significant expertise in the electricity sector, which is essential for achieving the Company's goal of bolstering the green electricity supply chain under its medium-term management plan. In addition, he has served as Outside Director at Mitsubishi Tanabe Pharma Corporation and Television Osaka, Inc., and has demonstrated his ability to execute his duties properly by leveraging his wide-ranging knowledge that extends beyond the industry to which the Company belongs.



Ryuko Inoue
Independent Outside
Director

Apr. 1981 Joined Ministry of Agriculture, Forestry and Fisheries (MAFF)
Jan. 2003 Minister, Embassy of Japan in Italy
Apr. 2016 Deputy Director-General, Agriculture, Forestry and Fisheries Research Council, MAFF
Jul. 2017 Resigned from MAFF
Nov. 2017 Registered as attorney-at-law, Of Counsel, Atsumi & Sakai (current position)
Jun. 2019 Outside Director, Nippon Steel Trading Corporation
Jun. 2021 Independent Outside Director of the Company (current position)
Jun. 2023 Outside Director, NS United Kaiun Kaisha, Ltd.
Jan. 2024 Outside Director, DIGITAL GRID Corporation (current position)

After joining the Ministry of Agriculture, Forestry and Fisheries (MAFF) in 1981, Ryuko Inoue took up the position of Permanent Representative of Japan to the Food and Agriculture Organization of the United Nations (FAO) and the United Nations World Food Program (WFP) in 2003, contributing to the growth of the global economy. She is currently an attorney-at-law at Atsumi & Sakai and has served as Outside Director at multiple companies. As a member of the Nomination and Remuneration Committee, she has also provided valuable guidance on how to further improve the Company's succession planning and performance-linked executive remuneration, drawing on her experience at MAFF and her wealth of knowledge in her current roles as an attorney-at-law and outside director of other companies. She has demonstrated her ability to properly execute her duties by leveraging her wide-ranging expertise that extends beyond the industry to which the Company belongs.



Takuya Kurita
Independent Outside
Director

Apr. 1984 Joined Ministry of Construction (currently Ministry of Land, Infrastructure, Transport and Tourism (MLIT))
Sep. 2007 Counselor, Cabinet Secretariat
Jul. 2009 Director, Urban Renewal Promotion Division, City and Regional Development Bureau, MLIT
Jul. 2011 Counselor, the Headquarters for the Reconstruction from the Great East Japan Earthquake
Feb. 2012 Counselor, Reconstruction Agency
Aug. 2013 Director, Personnel Division, MLIT
Jul. 2015 Director-General, City Bureau, MLIT
Jul. 2018 Director-General, Policy Bureau, MLIT
Jul. 2020 Vice-Minister, Land, Infrastructure, Transport and Tourism
Jul. 2021 Resigned from MLIT
Oct. 2021 Corporate Advisor, Sumitomo Mitsui Trust Bank, Limited (current position)
Jun. 2022 Independent Outside Director of the Company (current position)

Takuya Kurita joined the Ministry of Construction (currently Ministry of Land, Infrastructure, Transport and Tourism (MLIT)) in 1984 and was appointed Director of the Urban Renewal Promotion Division, City and Regional Development Bureau of the Ministry in 2009, where he contributed to the development of the Japanese economy through urban development. In 2011, he was appointed as Counselor to the Headquarters for Reconstruction from the Great East Japan Earthquake, where he directed reconstruction policy, and in 2020, he was named Vice-Minister of Land, Infrastructure, Transport and Tourism. Since resigning from his post at MLIT in 2021, he has served as Corporate Advisor to Sumitomo Mitsui Trust Bank, Limited and Project Professor at the University of Tokyo. As a member of the Nomination and Remuneration Committee, he has provided valuable guidance on ways to further improve the Company's succession planning and performance-linked executive remuneration, drawing on his extensive experience working for the MLIT and as an advisor. He has also demonstrated his ability to properly execute his duties by leveraging his wide-ranging knowledge that extends beyond the industry to which the Company belongs.



Takako Suzuki
Independent Outside
Director

Apr. 1984 Joined Nissan Motor Co., Ltd.
Aug. 2001 Joined LVJ Group Co., Ltd. (currently Louis Vuitton Japan Co., Ltd.)
Jan. 2010 Joined S.T. CORPORATION
Apr. 2013 Director, President and CEO
Mar. 2020 Outside Director, TRUSCO NAKAYAMA CORPORATION
Jun. 2021 Chairperson of the Board, President and CEO, S.T. CORPORATION
Sep. 2022 External Director, KING JIM CO., LTD. (current position)
Jun. 2023 Chairperson, S.T. CORPORATION (current position)
Jun. 2024 Independent Outside Director of the Company (current position)
Jun. 2025 Outside Director, FUJIFILM Holdings Corporation (current position)
Jun. 2025 Outside Director, Calbee, Inc. (current position)

Takako Suzuki joined Nissan Motor Co., Ltd. in 1984. In 2001, she conducted product PR and marketing campaigns targeting women at various companies, including the Louis Vuitton Group, leveraging her extensive insights. In 2010, she joined S.T. CORPORATION, where she produced numerous hit products as part of a design revolution, and in 2013, she was appointed Director, President and CEO. In 2023, she assumed the position of Chairperson at the same company. Along with her experience as External Director at KING JIM CO., LTD. and Outside Director at FUJIFILM Holdings Corporation, she has demonstrated her ability to properly execute her duties by leveraging her wide-ranging knowledge that extends beyond the industry to which the Company belongs.

Directors and Executive Officers (as of July 1, 2025)

Directors



Takayuki Uematsu
Director, Full-time Audit and Supervisory Committee Member

Nov. 1992 Joined Cosmo Oil Co., Ltd.
Jun. 2015 General Manager, Finance Dept.
Oct. 2015 General Manager, Finance Dept. of the Company
Jun. 2016 Executive Officer, General Manager, Finance Dept.
Apr. 2018 Senior Executive Officer
Jun. 2018 Director, Senior Executive Officer
Jun. 2020 Representative Director, Senior Executive Officer
Apr. 2021 Representative Director, Senior Managing Executive Officer
Apr. 2024 Director
Jun. 2024 Director (Full-time Audit and Supervisory Committee Member) (current position)
Outside Director, KYOEI TANKER CO., LTD. (Audit and Supervisory Committee Member) (current position)

Takayuki Uematsu joined Cosmo Oil after working for a foreign-owned financial institution, and has since demonstrated his expertise, serving almost exclusively in the finance division. In 2018, he was appointed Director and Senior Executive Officer, and in 2021 he assumed the position of Representative Director and Senior Managing Executive Officer. From 2022, he supervised the Sustainability Initiative, Accounting, and Finance departments, steadily implementing sustainable management and demonstrating leadership toward the achievement of net zero carbon emissions. Since FY2024, he has served as Director and Audit and Supervisory Committee Member, auditing and supervising the management decision making process, as well as the compliance and adequacy of business execution.



Yasuko Takayama
Independent Outside Director, Audit and Supervisory Committee Member

Apr. 1980 Joined Shiseido Co., Ltd.
Apr. 2009 General Manager, Social Affairs and Consumer Relations Dept.
Apr. 2010 General Manager, Corporate Social Responsibility Dept.
Jun. 2011 Full-time Audit and Supervisory Board Member
Jun. 2015 Outside Director, Nippon Soda Co., Ltd.
Outside Director, The Chiba Bank, Ltd. (current position)
Jun. 2016 Outside Audit and Supervisory Board Member, Mitsubishi Corporation
Jun. 2017 Outside Audit and Supervisory Board Member, Yokogawa Electric Corporation
Jun. 2019 Independent Outside Director of the Company (Audit and Supervisory Committee Member) (current position)
Jun. 2024 Outside Director, Yokogawa Electric Corporation

After serving as General Manager of the Consumer Relations and Corporate Social Responsibility departments and a Full-time Audit and Supervisory Board Member at Shiseido Co., Ltd., Yasuko Takayama went on to be appointed as Outside Director and Outside Audit and Supervisory Board Member for several listed companies, as well as a member of the Central Labour Relations Commission. At the Company, she has endeavored to further improve succession planning and performance-linked executive remuneration as a member of the Nomination and Remuneration Committee. In her role as Chairperson of the Audit and Supervisory Committee, she has audited and supervised the management decision making process, as well as the compliance and adequacy of business execution, drawing on her previous experience and extensive expertise in corporate governance. In addition to the above accomplishments, she has demonstrated her ability to properly execute her duties as an Outside Director (Audit and Supervisory Committee Member) from a broad perspective that extends beyond the industry to which the Group belongs.



Keiichi Asai
Independent Outside Director, Audit and Supervisory Committee Member

Apr. 1978 Joined Mitsubishi Corporation
Apr. 2009 Executive Officer, Head of CEO Office, Energy Group
Apr. 2013 Director and Vice President, Lithium Energy Japan
Sep. 2014 Representative Director, President and CEO, KH Neochem Co., Ltd.
Jun. 2021 Independent Outside Director of the Company (Audit and Supervisory Committee Member) (current position)
Jun. 2022 Outside Director, Sun Frontier Fudoushan Co., Ltd. (current position)

Keiichi Asai has spent most of his career working in the energy sector, including petroleum business divisions such as oil sales, supply and demand, and refining, at Mitsubishi Corporation. After being named Executive Officer of the same company, he went on to become Director and Vice President of Lithium Energy Japan in 2013, before being appointed Representative Director, President and CEO of KH Neochem Co., Ltd. in 2014. At the Company, his accomplishments include further improving succession planning and performance-linked executive remuneration as Chairperson of the Nomination and Remuneration Committee. As a member of the Audit and Supervisory Committee, he has audited and supervised the management decision making process, as well as the compliance and adequacy of business execution. In addition to the above accomplishments, he has demonstrated his ability to properly execute his duties as an Outside Director (Audit and Supervisory Committee Member), drawing on his international expertise that includes postings in the U.S. and India, as well as his extensive knowledge and experience related to all areas of corporate management.



Toshihiro Kuriyama
Independent Outside Director, Audit and Supervisory Committee Member

Apr. 1980 Joined ALPS ELECTRIC CO., LTD. (currently ALPS ALPINE CO., LTD.)
Jun. 2004 Director, General Manager, Magnetic Devices Division
Apr. 2007 Director, General Manager, Business Development Headquarters
Apr. 2009 Director, General Manager, Executive in charge of Engineering and Quality Management
Jun. 2011 Managing Director
Jun. 2012 Representative Director, President
Jun. 2019 Representative Director, President, Executive Officer
Jun. 2023 Representative Director, Chairperson
Jun. 2024 Independent Outside Director of the Company, Audit and Supervisory Committee Member (current position)

After joining ALPS ELECTRIC CO., LTD. (currently ALPS ALPINE CO., LTD.), Toshihiro Kuriyama went on to serve as General Manager of Business Development Headquarters, Engineering Headquarters, and other divisions. In 2012, he was appointed Representative Director and President of the same company, and in 2023 assumed the role of Representative Director and Chairperson. At ALPS ELECTRIC, he engaged in a wide range of businesses both in Japan and overseas that are indispensable to the mobility industry, including the development and sales of automotive onboard information systems, and led the company as President for 11 years. In addition to business expansion, he has worked toward building an ideal corporate governance structure and achieving decarbonization as well as establishing various systems required of companies. At the Company, he has audited and supervised the management decision making process, as well as the compliance and adequacy of business execution as a member of the Audit and Supervisory Committee. He has demonstrated his ability to properly execute his duties as an Outside Director (Audit and Supervisory Committee Member), drawing on his extensive knowledge and experience related to all areas of corporate management.

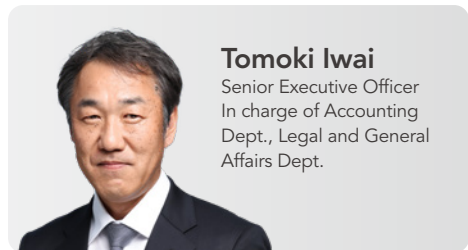
Executive Officers



Noriko Rzonca
Senior Executive Officer, CDO
In charge of Corporate DX Strategy Dept., Corporate Communication Dept., IT Initiative Dept.



Hiroaki Ohtsuka
Senior Executive Officer
In charge of Power Business Management Dept., New Energy Business Management Dept.



Tomoki Iwai
Senior Executive Officer
In charge of Accounting Dept., Legal and General Affairs Dept.



Hideyuki Wakao
Executive Officer
General Manager, Internal Auditing Office
Substitute Director, Audit and Supervisory Committee Member

Eleven-Year Selected Financial and Operating Data

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Fiscal year											(¥ million)
Foreign exchange rate (JPY/USD)	109.9	120.1	108.4	110.9	110.9	108.8	106.0	112.4	135.5	144.6	152.6
Dubai crude oil price (USD/barrel)	83.5	45.7	46.9	55.9	69.3	60.3	44.5	78.1	92.5	82.3	78.5
Net sales	3,035,818	2,244,306	2,292,280	2,523,106	2,770,365	2,738,003	2,233,250	2,440,452	2,791,872	2,729,570	2,799,947
Cost of sales	2,944,919	2,154,615	2,079,727	2,282,710	2,539,936	2,586,244	2,000,584	2,061,600	2,471,141	2,409,926	2,493,124
Selling, general and administrative expenses	129,346	119,433	120,370	128,526	135,775	137,865	131,376	143,548	156,949	170,443	178,572
Operating profit (loss)	-38,447	-29,742	92,182	111,868	94,653	13,893	101,289	235,303	163,780	149,200	128,249
Impact of inventory valuation ¹	-116,177	-68,703	39,400	21,044	-10,788	-52,179	20,740	72,324	21,604	-547	-30,824
Operating profit (loss) (excluding the impact of inventory valuation)	77,730	38,961	52,782	90,824	105,441	66,072	80,549	162,979	142,176	149,747	159,074
Ordinary profit (loss)	-49,640	-36,121	81,448	116,850	96,654	16,285	97,370	233,097	164,505	161,615	150,758
Ordinary profit (loss) (excluding the impact of inventory valuation)	66,537	32,644	42,048	95,806	107,442	68,464	76,630	160,773	142,900	162,162	181,583
Petroleum Business	22,067	5,784	1,770	37,776	24,964	4,378	53,317	93,704	44,072	91,266	92,631
Petrochemical Business	-6,977	4,291	22,177	30,441	15,344	5,185	-3,319	13,617	3,825	-7,764	-5,044
Oil E&P Business	47,538	18,637	9,347	18,251	56,900	45,030	13,859	44,761	84,512	68,262	82,423
Renewable Energy Business ²	—	—	—	—	—	—	4,134	3,483	2,587	2,848	1,264
Others	3,909	3,932	8,754	9,338	10,233	13,869	8,637	5,207	7,903	7,548	10,307
Profit (loss) before income taxes	-44,599	-43,797	78,565	109,274	95,966	13,913	93,648	211,593	153,263	154,952	124,950
Profit (loss) attributable to owners of parent ²	-77,729	-50,230	53,235	72,813	53,132	-28,155	85,910	138,890	67,935	82,060	57,671
Profit (loss) attributable to owners of parent (excluding the impact of inventory valuation)	3,595	-2,092	25,655	58,081	60,684	8,370	71,392	88,263	52,812	82,443	79,248
Capital expenditures	70,396	82,775	120,302	109,085	80,380	87,872	79,624	57,064	71,941	82,391	93,949
R&D expenses	3,077	3,104	4,269	4,540	4,096	4,448	3,975	4,803	5,342	5,703	5,243
Depreciation and amortization ³	32,399	30,713	37,769	42,130	54,225	57,606	57,530	58,045	58,172	55,290	57,190
Cash flows from operating activities	163,384	18,427	47,625	192,634	90,450	111,733	167,445	108,361	8,122	177,944	137,118
Cash flows from investing activities	-30,126	-32,839	-112,038	-96,432	-84,521	-84,230	-84,584	-67,511	-81,178	-32,768	-145,688
Cash flows from financing activities	-178,920	32,499	9,626	-76,757	-20,480	-24,675	-80,570	-42,040	81,137	-104,178	-69,027
At fiscal year-end											(¥ million)
Total assets	1,428,628	1,409,615	1,525,679	1,688,288	1,702,270	1,639,765	1,709,017	1,938,408	2,120,763	2,212,586	2,156,605
Non-controlling interests ⁴	40,326	94,665	108,063	117,468	120,785	123,047	124,173	127,771	135,485	126,253	122,694
Net worth ¹⁰	167,194	108,046	164,722	238,677	281,065	239,792	324,946	456,200	527,895	601,161	584,782
Total current assets	621,578	516,254	561,604	657,160	641,731	572,160	605,808	867,983	1,036,040	1,122,740	1,079,108
Total current liabilities	603,860	555,519	655,473	800,146	764,734	706,080	752,488	954,675	1,012,579	1,007,628	945,465
Net interest-bearing debt ⁵	597,701	666,179	727,258	635,763	644,663	628,317	556,379	503,330	581,875	501,024	492,980
Number of outstanding shares (thousands) ⁶	847,705	84,770	84,770	84,770	84,770	84,770	84,770	84,770	88,353	88,353	88,353
Per share data⁷											(¥)
Profit (loss) attributable to owners of parent	-91.77	-594.85	633.32	865.80	630.69	-334.84	1,025.86	1,658.64	811.15	938.11	672.78
Diluted profit attributable to owners of parent	—	—	—	—	594.03	—	861.16	1,389.40	726.65	—	—
Net assets	197.39	1,286.03	1,958.91	2,837.90	3,333.81	2,853.14	3,882.72	5,446.39	6,042.41	6,863.55	7,075.39
Cash dividends	—	40.00	50.00	50.00	80.00	80.00	80.00	100.00	150.00	300.00	330.00
Ratios											
Net worth ratio (%)	11.7	7.7	10.8	14.1	16.5	14.6	19.0	23.5	24.9	27.2	27.1
Net debt-to-equity ratio (times) ⁸	3.6	4.6	3.6	2.3	1.98	2.41	1.59	1.04	1.10	0.83	0.84
Return on equity (ROE) (%)	-39.0	-36.5	39.0	36.1	20.4	-10.8	30.4	35.6	13.8	14.5	9.7
Return on equity (ROE) (excluding the impact of inventory valuation) (%)	1.8	-1.5	18.8	28.8	23.4	3.2	25.3	22.6	10.7	14.6	13.4
Return on invested capital (ROIC) (excluding the impact of inventory valuation) (%)	1.8	1.5	4.4	7.8	8.0	2.2	8.0	9.5	6.1	7.6	6.9

1. Impact of inventory valuation also includes the impact based on the book value depreciation method as dictated by Accounting Standards Board of Japan (ASBJ) Statement No. 9, Accounting Standard for Measurement of Inventories.

2. Up until FY2014, net income (loss) figures are presented.

3. Depreciation and amortization includes cost recovery under production sharing arrangements.

4. Up until FY2014, minority interest figures are presented.

5. Net interest-bearing debt is calculated by deducting cash and deposits from interest-bearing debt. In FY2015, however, cash and deposits and securities are deducted from interest-bearing debt.

6. On October 1, 2015, Cosmo Energy Holdings Co., Ltd. was established as the wholly-owning parent company of Cosmo Oil Co., Ltd. through a share transfer. For each common share of the former Cosmo Oil, 0.1 common shares of the holding company were allocated (for example 1,000 Cosmo Oil shares to 100 Cosmo Energy Holdings shares). Figures have been rounded down to the nearest thousand shares.

7. Per share data from FY2015 constitutes data for one Cosmo Energy Holdings share when 0.1 holdings company shares is allocated for each share of the former Cosmo Oil. Furthermore, the Company executed a two-for-one share split of its common shares, effective October 1, 2025. Per share data prior to FY2024 is presented on a pre-share-split basis.

8. The ratio from FY2019 to FY2021 is calculated on the basis that 50% of the ¥30.0 billion hybrid loan executed on March 31, 2020 is included in equity.

9. The Renewable Energy Business, which had previously been included in Others, was defined as a separate segment in FY2020.

10. In line with the application of accounting standards for income taxes from the start of FY2024, the change in accounting policy has been applied retrospectively to financial data for FY2023, and therefore differs from the FY2023 financial data announced in May 2024.

Share Information (as of March 31, 2025)

Basic share information

Ordinary general meeting of shareholders	Every June
Shareholder registrar	Sumitomo Mitsui Trust Bank, Limited
Number of common shares issued	88,353,761 shares*
Record date for year-end dividend payment	March 31
Number of shares per trading unit	100 shares
Listed stock exchange	Prime Market, Tokyo Stock Exchange

*On August 29, 2025, the Company canceled 5,832,900 of its treasury shares. On October 1, 2025, a two-for-one split of common shares was executed. (Total number of issued and outstanding shares after the split: 165,041,722 shares)

Principal shareholders

Name of shareholder	Number of shares held (thousands)	Shareholding ratio (%)
Iwatani Corporation	17,709	21.28
The Master Trust Bank of Japan, Ltd. (trust account)	10,696	12.85
Custody Bank of Japan, Ltd. (trust account)	3,999	4.80
JPMorgan Securities Japan, Co., Ltd.	2,418	2.90
The Kansai Electric Power Co., Inc.	1,860	2.23
Cosmo Energy Holdings Customers Shareholding Association	1,685	2.02
Mizuho Bank, Ltd.	1,600	1.92
Aioi Nissay Dowa Insurance Co., Ltd.	1,580	1.89
Sompo Japan Insurance, Inc.	1,342	1.61
Mitsui Sumitomo Insurance Company, Limited	1,250	1.50


*Number of shares held is rounded down to the nearest thousand.

*The shareholding ratio is calculated by deducting the number of treasury shares from the total number of outstanding shares. Treasury shares exclude those shares owned by the designated trust bank through the Board Incentive Plan (BIP) Trust.

Corporate Data

Company information

Company name	Cosmo Energy Holdings Co., Ltd.
Securities code	5021
Head office	1-7-1 Kyobashi, Chuo-ku, Tokyo, Japan 104-8355
Established	October 1, 2015
Capital	¥46.4 billion
Description of business	Management of subsidiaries involved in oil, ranging from upstream to downstream, and other businesses
Main banks	Mizuho Bank, Ltd., MUFG Bank, Ltd., and Sumitomo Mitsui Banking Corporation

- Publication date November 2025; next report covering the included data scheduled for publication in November 2026 (published every year)
- COSMO REPORT, IR website, and sustainability website COSMO REPORT is designed to be easily read, and further details are available on our IR and sustainability websites. Sustainability activity reporting focuses on priority issues with reference to the Global Reporting Initiative (GRI) Standards. For further details, please refer to our corporate website.
 -  IR website <https://www.cosmo-energy.co.jp/en/ir.html>
 -  Sustainability website <https://www.cosmo-energy.co.jp/en/sustainability.html>
- Independent assurance report  Independent Assurance Report https://www.cosmo-energy.co.jp/content/dam/corp/jp/en/sustainability/pdf/independent_assurance_report.pdf
- Caution concerning forward-looking statements This report contains forward-looking statements regarding our plans, strategies, and business performance. These statements are based on judgements that were made in accordance with information available at the time of production. Please note that actual business results may differ materially from these initial forecasts due to various external factors.



COSMO ENERGY HOLDINGS CO., LTD.

Corporate Planning Department/
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<https://www.cosmo-energy.co.jp/en/ir/contact.html>